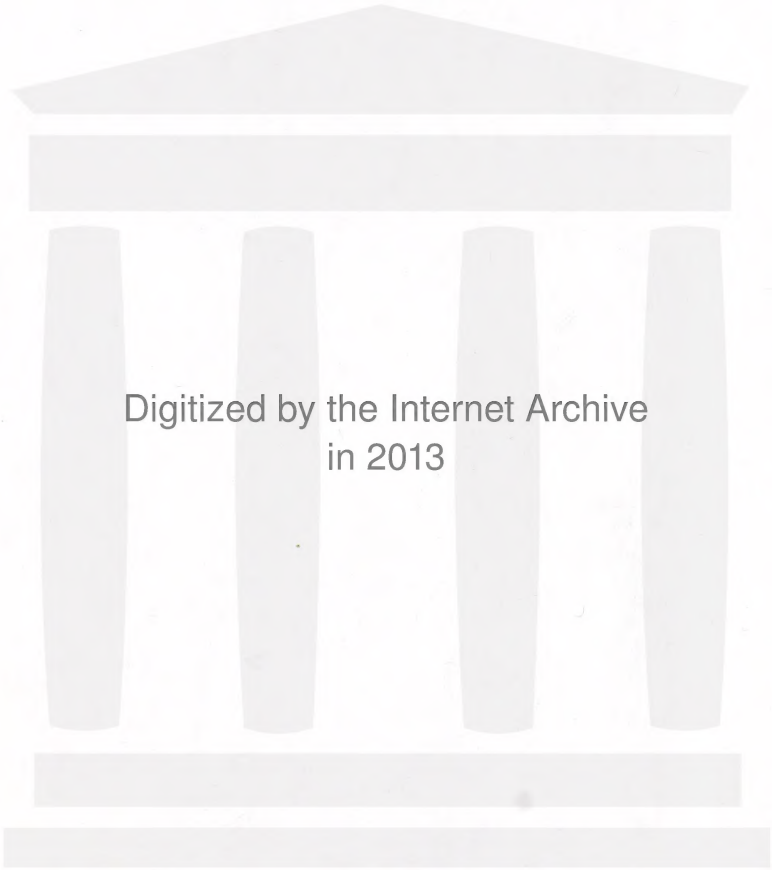

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JOURNAL

OF THE

SENATE

OF THE

1997 GENERAL ASSEMBLY

OF THE

STATE OF NORTH CAROLINA

EXTRA SESSION

1998

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OF
THE SENATE OF THE NORTH CAROLINA
GENERAL ASSEMBLY
1997 SESSION
EXTRA SESSION 1998

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41	LARRY SHAW (D)	Fayetteville
42	ROBERT C. CARPENTER (R)	Franklin

SENATE JOURNAL

EXTRA SESSION

1998

FIRST DAY

Senate Chamber
Tuesday, March 24, 1998

In accordance with law, as set forth in the Constitution of the State of North Carolina, and pursuant to the Proclamation issued by the Governor, the Honorable James B. Hunt, Jr., on February 27, 1998, the Senate of the 1997 General Assembly convenes in Extra Session at the hour of 12:00 Noon in the Senate Chamber in the Legislative Building in the City of Raleigh.

The Honorable Dennis A. Wicker, Lieutenant Governor, presides and calls the Senate to order.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Our God, it is good to look around and see the Senate family together again, called into Special Session by our Governor to consider health care for children.

"Help us all to recall the times when we have been more than just casual observers of children, times when our gazes actually locked with theirs. At those times, eye to eye, we confess we had a sense we were looking into origins that this gaze of theirs was welling up at us from deep beyond the past's past.

"Of course that sense of things was all wrong, for eye to eye, it was the child who was gazing into the past. We were gazing into the future's future.

"And so, whether it is considering legislation in their behalf, stooping down for a conversation or just being role models, help us, O God, to be worthy of a child's gaze through us into his or her origins. In Your Holy name, we pray, Amen."

Led by the Lieutenant Governor, the members and guests remain standing and pledge allegiance to the United States of America.

The President instructs the Reading Clerk to read the Proclamation issued by Governor James B. Hunt, Jr., on February 27, 1998, as follows:

PROCLAMATION

WHEREAS, there are more than 71,000 uninsured children in North Carolina whose parents make too much to qualify for Medicaid but cannot afford to purchase health insurance for their children; and

WHEREAS, children who do not receive proper medical care have more trouble staying healthy enough to attend school and often have trouble learning when they are in school; and

WHEREAS, under Title XXI of the Social Security Act, North Carolina now has the opportunity to receive $79.9 million in federal money in order to provide health care for children; and

WHEREAS, to meet federal deadlines, North Carolina must adopt by legislation its state plan and needs to submit the plan to the Health Care Financing Agency; and

WHEREAS, the Children's Health Insurance Plan is designed to comply with federal requirements and provide the health insurance coverage described herein.

NOW, THEREFORE, I, James B. Hunt, Jr., Governor of the State of North Carolina, pursuant to the authority granted to me by Article III, Sec. 5(7) of the Constitution of North Carolina, find that the circumstances stated above constitute an extraordinary occasion within the meaning of Article III, Sec. 5(7) of the Constitution of North Carolina and PROCLAIM that the General Assembly is hereby convened in an extra session for the purpose of considering the adoption of a state plan in accordance with the above.

This extra session shall begin the 24th day of March 1998 at 12:00 p.m. and shall continue as provided by law and the rules of each House until both Houses shall have adjourned *sine die*.

Done in Raleigh, North Carolina, this the 27th day of February, 1998.

S/James B. Hunt Jr.
Governor

CALL OF THE ROLL

The President orders a call of the roll of the members of the Senate heretofore elected to the 1997 General Assembly and the following answer the call:

Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—49.

With all members present having properly received and subscribed to the oath of office, the President announces a quorum present.

With unanimous consent, the President grants a leave of absence for today to Senator Jordan.

The President of the Senate extends courtesies of the floor to B. J. Ellender from Kernersville, who is serving the Senate as Nurse of the Day.

ADOPTION OF RULES

The President recognizes Senator Rand who submits Senate Resolution 1 which is read and disposed of as follows:

By Senator Rand:

S.R. 1, A SENATE RESOLUTION ADOPTING THE PERMANENT RULES OF THE SENATE FOR THE EXTRA SESSION, 1998, OF THE GENERAL ASSEMBLY.

Upon motion of Senator Rand, the resolution is placed before the Senate for immediate consideration upon adoption.

The text of Senate Resolution 1 is as follows:

March 24, 1998

A SENATE RESOLUTION ADOPTING THE PERMANENT RULES OF THE SENATE FOR THE EXTRA SESSION, 1998, OF THE GENERAL ASSEMBLY.

Be it resolved by the Senate:

Section 1. The permanent rules of the 1997 Regular Session, with the following amendments, are the rules governing the Extra Session, 1998, of the General Assembly:

Rule 34.1. Committee of the Whole.

It shall be in order to move into the Committee of the Whole. The President *Pro Tempore* is chairman of the Committee of the Whole.

Rule 40. Introduction of bills.

Every bill introduced shall contain on the outside cover the title of the document and the name of the Senator or Senators presenting it. Bills shall be delivered by the primary sponsor of the document to the Senate Principal Clerk who shall receive, number, and present said bill to the Senate for first reading.

Rule 40.1. Limitation on resolutions and bills.

The only resolutions that may be introduced or considered in the Senate are resolutions adjourning the Extra Session *sine die*. All bills shall be excluded from introduction or consideration in the Senate, other than those requested by the Governor's Proclamation dated February 27, 1998, convening the Extra Session: Adoption of a State plan under Title XXI of the Social Security Act so as to receive $79.9 million in federal money in order to provide health care for children (Children's Health Insurance Plan). This rule may not be suspended.

Rule 41. (Reserved).

Rule 42. Reference of appropriation and finance bills.

(a) All bills introduced in the Senate providing for appropriations from the State, or any subdivision thereof shall, before being considered by the Senate, be referred to the Committee on Appropriations or the Committee of the Whole, and bills referred to other committees, other than the Committee of the Whole, carrying any such provisions shall be reported to the Senate as being bills to be referred to the Appropriations Committee before proper action may be taken by the Senate.

Rule 43. First reading; reference to committee.

All bills introduced and all House bills received upon a message from the House of Representatives, upon presentation to the Senate, shall be read in the regular order of business by their number and title which shall constitute the first reading of the bill. The Chairman of the Rules and Operation of the Senate Committee or, in his absence, the

Vice-Chairman of the Committee shall refer to a Senate committee all bills introduced in the Senate. Upon the referral being made, the Chairman of the Committee on Rules and Operation of the Senate shall notify the Principal Clerk of the Senate of the referral, and the Reading Clerk shall announce the referral of the bill. The Principal Clerk shall inform the Presiding Officer of the referral. The title and referral shall be entered upon the Journal.

Rule 43.1. Second reading.

All bills reported by committee shall be placed before the Senate for second reading and immediate consideration upon passage.

Rule 50. Third reading requirements.

When a bill or resolution has passed its second reading, it shall be placed on the calendar for immediate consideration on its third reading, unless prohibited by Article II, Section 23 of the Constitution.

Rule 56.1. Amendments and committee substitutes adopted by the House to bills originating in the Senate.

(a) Whenever the House has adopted an amendment or a committee substitute for a bill originating in the Senate, and has returned the bill to the Senate for concurrence in that amendment or committee substitute, the Senate may concur in that amendment or committee substitute on the same legislative day.

Rule 59. (Reserved).

Section 2. This resolution is effective upon adoption.

Upon motion of Senator Rand, Senate Resolution 1 is adopted.

APPOINTMENT OF COMMITTEES

Senator Basnight, President *Pro Tempore*, announces that the Standing and Select Committees of the Senate heretofore appointed during the 1997 Regular Session, are hereby appointed to serve during this Extra Session.

The President orders a special message sent to the House of Representatives informing that Honorable Body that the Senate is organized and ready to proceed with the public business of the Extra Session of the 1997 General Assembly as stated in the Proclamation issued by the Governor.

Upon motion of Senator Lee and Senator Webster, the President extends the courtesies of the gallery to the 1997-98 YFU International Students from Alamance Community College, Graham, North Carolina: Lia Akhvlediani, Georgia; Franziska Baumann, Switzerland; Wieteke van den Berg, Netherlands; Anton Demidenko, Ukraine; Vladislav Gilevsky, Russia; Cathrine Groen, Norway; Karligash Kalymbetova, Kazakhstan; Stephan Raemy, Switzerland; Ruslan Salakhutdinov, Uzbekistan; Cindy Brownstein, Teacher; and Melissa Loflin, International Coordinator.

INTRODUCTION OF BILL

A bill is presented to the Senate, read the first time, and disposed of, as follows:

By Senators Rand, Albertson, Ballance, Basnight, Carrington, Cooper, Dalton, Dannelly, Forrester, Gulley, Hoyle, Jenkins, Kerr, Kinnaird, Lee, Lucas, Martin of Guilford, Martin of Pitt, Miller, Odom, Perdue, Phillips, Plyler, Purcell, Reeves,

Shaw of Cumberland, Soles, Warren, Weinstein, Wellons and Winner:

S.B. 2, A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM AND TO APPROPRIATE FUNDS THEREFOR.

Referred to **Committee of the Whole**.

COMMITTEE OF THE WHOLE

Senator Rand offers a motion that the Senate do now resolve itself into a **Committee of the Whole**, with Senator Basnight presiding, which motion prevails. The Senate sits as a **Committee of the Whole** to discuss **S.B. 2,** A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM AND TO APPROPRIATE FUNDS THEREFOR.

Senator Rand offers a motion that the Senate rise and report from the **Committee of the Whole**, which motion prevails.

The Senate is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Senator Rand offers a motion that the Senate stand in recess for fifteen minutes, which motion prevails.

The Senate recesses at 2:30 P.M. to reconvene at 2:45 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Upon the appearance of Senator Jordan in the Chamber, the Chair acknowledges his presence and the leave of absence granted previously is withdrawn.

SPECIAL MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The following special messages are received from the House of Representatives:

House of Representatives
March 24, 1998

Mr. President:

It is ordered that a message be sent to the Senate informing that Honorable Body that the House of Representatives, pursuant to the Proclamation issued by the Governor, is organized and stands ready to proceed with the public business of the 1998 Extra Session.

Respectfully,
S/Denise G. Weeks
Principal Clerk

House of Representatives
March 24, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that pursuant to a Proclamation issued by Governor James B. Hunt, Jr., on October 9, 1997, Gordon P. Allen has been administered the oath of office as a member of the House of Representatives for the remainder of the 1997 General Assembly. Representative Allen has been seated to fill the vacancy created by the resignation of the Honorable Michael S. Wilkins from the Twenty-Second House District.

Respectfully,
S/Denise G. Weeks
Principal Clerk

REPORT OF COMMITTEE

A bill is reported from the **Committee of the Whole**, read by its title, together with the report accompanying it and takes its place on the Calendar as follows:

By Senator Rand for the **Committee of the Whole**:

S.B. 2, A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM AND TO APPROPRIATE FUNDS THEREFOR, with a favorable report.

With unanimous consent, on motion of Senator Rand, the bill is placed before the Senate for immediate consideration upon second reading.

Senator Webster offers Amendment No. 1 which fails of adoption (20-30).

Senator Webster offers Amendment No. 2 which fails of adoption (20-30).

Senator East announces a pair vote. If Senator Kerr were present, he would vote "aye". Senator East votes "no".

The bill passes its second (40-8) and third readings and is ordered sent to the House of Representatives by special messenger.

Upon motion of Senators Gulley and Lucas, the President extends the courtesies of the gallery to Margaret Keller, former Mayor of Durham.

EXECUTIVE ORDERS

The following Executive Orders received after adjournment of the First Regular Session of the 1997 General Assembly, on August 28, 1997, are received in the Office of the Senate Principal Clerk are presented to the Senate and read as follows:

Executive Order Number 117, Governor's Commission on Juvenile Crime and Justice;

Executive Order Number 118, Amending Executive Order 75 Concerning Implementation of the Albemarle-Pamlico Estuarine Study Recommendations;

Executive Order Number 119, Rescission of Governor Martin Executive Order No. 169;

Executive Order Number 120, Extending the following Executive Orders: No. 26, No. 27, No. 29, No. 30, No. 34, No. 81, No. 84, No. 88.

Executive Order Number 121, Implementing the Coastal Energy Policy Rules of the Coastal Resources Commission;

Executive Order Number 122, Extending Executive Orders 91 and 92;

Executive Order Number 123, Alcohol Law Enforcement Designated Lead Agency to Implement Model Education and Enforcement of State Law to Reduce Tobacco Sales to Minors;

Executive Order Number 124, Amending and Extending Executive Order No. 16, the Geographic Information Coordinating Council and the Center for Geographic Information and Analysis;

Executive Order Number 125, North Carolina Emergency Response Commission;

Executive Order Number 126, Extending Executive Orders;

Executive Order Number 127, North Carolina Board of Ethics;

Executive Order Number 128, Designating the Year of the Volunteer;

Executive Order Number 129, Governor's Task Force on Driving While Impaired;

Executive Order Number 130, Extending Executive Order No. 94.

REPORTS TO GENERAL ASSEMBLY

The following reports received after adjournment of the First Regular Session of the 1997 General Assembly, on August 28, 1997, from boards, commissions, and agencies directed to report to the General Assembly, are presented to the Senate and ordered, placed on file in the Legislative Library:

The North Carolina Department of Health and Human Services submits the Preliminary Report on the study of rate setting by its various divisions, pursuant to Section 11.7, Senate Bill 352.

The North Carolina Department of Health and Human Services submits the Report on Adult Care Homes, pursuant to the 1997-98 Appropriations Act, Section 11.69.

The North Carolina Department of Health and Human Services submits the Thomas S. Funds/Cost Containment Report, pursuant to Chapter 443, Sec. 11.37 of the 1997 Session Laws.

The Employment Security Commission of North Carolina submits The Unemployment Insurance Trust Fund and The State Unemployment Insurance Reserve Fund report, pursuant to G.S.96-4.

RESOLUTIONS FROM OTHER STATES

The following resolutions received from other states after adjournment of the First Regular Session of the General Assembly on August 28, 1997, are presented to the Senate and ordered filed in the Office of the Principal Clerk (*See Appendix.*):

Minnesota Resolution 1, Senate File Number 22, regarding movement of professional sports franchises.

Louisiana House Resolution Number 120, concerning a proposed amendment to the Constitution of the United States providing for election of members of the federal judiciary.

The President recognizes the following pages serving in the Senate this week:

Andrew B. Bertrand, Cary; James Clark Boyne, Raleigh; Lee Ferris, Raleigh; Kia Hood, Clayton; Kanika Johnson, Knightdale; Robert O. Laryea, Knightdale; Jennifer Levenbook, Raleigh; Kristen Michelle Lye, Raleigh; Melissa Anne Phillips, Cary; Jordan David Prince, Raleigh; Kathleen D. Stephenson, Raleigh; and Charles E. Tucker, Raleigh.

On motion of Senator Basnight, seconded by Senator Ballance, the Senate adjourns at 4:20 P.M. to meet tomorrow, Wednesday, March 25, at 11:00 A.M.

SECOND DAY

Senate Chamber
Wednesday, March 25, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Some prayers written and prayed by children at a time when these young people are so much on our minds, we pray.

"Dear Mr. God, I wish you would not make it so easy for people to come apart. I had 3 stitches and a shot. Jane.

"Dear God, Thank you for the baby brother but what I prayed for was a puppy. Joyce.

"Dear God, If you give me a Genie lamp like Aladdin, I will give you anything you want except my money and my chess set. Raphael.

"Dear God, Is it true my Father won't get in Heaven if he uses his bowling words in the house? Anita.

"Dear God, Instead of letting people die and having to make new ones, why don't you just keep the ones you got now? Jane.

"Dear God, I didn't think orange went with purple until I saw the sunset you made on Tuesday. That was cool. Eugene.

"Dear God, I am doing the best I can. Frank.

"Dear God, Thank you for children and their wisdom beyond years. The Senate. Amen."

(From Children's Letters to God, compiled by Stuart Hample and Eric Marshall)

The President extends courtesies of the gallery to students and teachers from Eastway Elementary School, Durham, North Carolina, and to students and teachers from Wintergreen Elementary School, Greenville, North Carolina.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Tuesday, March 24, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Margaret Mullinix from Pittsboro, North Carolina, who is serving the Senate as Nurse of the Day.

On motion of Senator Basnight, seconded by Senator McDaniel, the Senate adjourns at 11:15 A.M. to meet tomorrow, Thursday, March 26, at 11:00 A.M.

THIRD DAY

Senate Chamber
Thursday, March 26, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by The Honorable Jeanne Lucas, Senator from Durham County, as follows:

"Father, we give praise to You for all the many wonderful blessings You have given to us. Since You are a blessing to us, then we need to be a blessing to others.

"You have said where two or three are gathered in Your name, agreeing on the same thing, that You would be in our midst.

"Well, here we are Father, asking through our persistent prayers that 71,000 children will be the beneficiaries of health insurance. Father, we know there is a need out there, so we ask that the legislation that we approve help those who are the least among us. We trust that Your Will be done. Amen".

With unanimous consent, the President grants leaves of absence for today to Senator Carpenter, Senator Horton, and Senator Lee.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Wednesday, March 25, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Susan Craven from Richmond County, who is serving the Senate as Nurse of the Day.

The Senate recesses at 11:12 A.M. to reconvene at 1:00 P.M., and upon reconvening, subsequently recesses to reconvene at 1:30 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A.

Wicker, Lieutenant Governor.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message is received in the Office of the Principal Clerk from the House of Representatives transmitting a bill for concurrence and is presented to the Senate, read, and disposed of as follows:

S.B. 2 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ESTABLISH RITE CARE: THE CHILD HEALTH INSURANCE PROGRAM TO PROVIDE HEALTH INSURANCE FOR CHILDREN UP TO ONE HUNDRED EIGHTY-FIVE PERCENT OF THE FEDERAL POVERTY LEVEL AND UNINSURED FOR SIX MONTHS PRIOR TO APPLICATION; TO PROVIDE ADMINISTRATION OF PROGRAM BENEFITS UNDER THE NORTH CAROLINA TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN; TO AUTHORIZE PROGRAM ENROLLEES TO PURCHASE EXTENDED OR ADDITIONAL COVERAGE UNDER THE PROGRAM; TO AUTHORIZE PREMIUMS AND OTHER COST-SHARING UNDER THE PROGRAM; TO ESTABLISH THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON CHILD HEALTH INSURANCE; AND TO AUTHORIZE A TAX CREDIT FOR CERTAIN PURCHASERS OF DEPENDENT HEALTH INSURANCE AND LONG-TERM CARE INSURANCE.

With unanimous consent, the President grants a leave of absence for today to Senator Carrington.

The President extends the courtesies of the gallery to fourth graders from Mount Pleasant Elementary School, Mount Pleasant, North Carolina.

With unanimous consent, on motion of Senator Rand, the House Committee Substitute bill No. 2 is placed before the Senate for immediate consideration upon concurrence.

Senator Ballantine announces a pair vote. If Senator Hoyle were present he would vote "no". Senator Ballantine votes "aye".

Senator Lucas announces a pair vote. If Senator Carpenter were here he would vote "aye". Senator Lucas votes "no".

Senator Reeves announces a pair vote. If Senator Carrington were here he would vote "aye". Senator Reeves votes "no".

Senator Miller announces a pair vote. If Senator Hartsell were here he would vote "aye". Senator Miller votes "no".

The Senate fails to concur in the House Committee Substitute bill No. 2 (13-25).

Senator Basnight offers a motion that the Senate appoint conferees, which motion prevails.

The President *Pro Tempore* appoints Senator Rand, Chairman; and Senators Martin of Guilford, Cooper, Ballance, Perdue, Winner, Lucas, Phillips, and Purcell as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action and requesting conferees.

The President extends the courtesies of the gallery to Judge J. Henry Banks of Henderson, North Carolina.

On motion of Senator Basnight, seconded by Senator Forrester, the Senate adjourns at 3:15 P.M. to meet Monday, March 30, at 6:00 P.M.

FOURTH DAY

Senate Chamber
Monday, March 30, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Our Heavenly Father, because they see mostly pant legs and knee caps, children have learned by necessity to live in a vertical world, looking up to big people when they need help and guidance.

"Maybe as adults we have become too accustomed to living in a horizontal world. If we can learn from our children, then help us to remember to take more vertical looks upward to You from whence comes our best help and guidance.

"We come humbly in Your presence tonight, looking up, Oh God. Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator Ballance, Senator Dalton, Senator Lee, Senator Martin of Pitt, Senator Moore, Senator Rand, and Senator Rucho.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, March 26, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

REQUEST FOR LEAVE

Upon a request from Senator Garwood, without objection, the President grants a leave of absence for Thursday, March 26, to Senator Garwood.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

House of Representatives
March 26, 1998

Mr. President:

Pursuant to your information that your Honorable Body failed to concur in House Committee Substitute #2 to **S.B. 2,** A BILL TO BE ENTITLED AN ACT TO ESTABLISH RITE CARE: THE CHILD HEALTH INSURANCE PROGRAM TO PROVIDE HEALTH INSURANCE FOR CHILDREN UP TO ONE HUNDRED EIGHTY-FIVE PERCENT OF THE FEDERAL POVERTY LEVEL AND UNINSURED FOR SIX MONTHS PRIOR TO APPLICATION; TO PROVIDE ADMINISTRATION OF PROGRAM BENEFITS UNDER THE NORTH CAROLINA TEACHERS' AND

STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN; TO AUTHORIZE PROGRAM ENROLLEES TO PURCHASE EXTENDED OR ADDITIONAL COVERAGE UNDER THE PROGRAM; TO AUTHORIZE PREMIUMS AND OTHER COST-SHARING UNDER THE PROGRAM; TO ESTABLISH THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON CHILD HEALTH INSURANCE; AND TO AUTHORIZE A TAX CREDIT FOR CERTAIN PURCHASERS OF DEPENDENT HEALTH INSURANCE AND LONG-TERM CARE INSURANCE, the Speaker has appointed as conferees on the part of the House, **Representative Daughtry, Chair; Representatives Gardner, Cansler, Clary, Esposito, Nye, Bonner, Howard and Berry** to act with a like committee on the part of the Senate to the end that the differences existing between the two bodies may be adjusted.

Respectfully,
S/Denise G. Weeks
Principal Clerk

EXECUTIVE ORDER

An Executive Order received in the Office of the Senate Principal Clerk is presented to the Senate and read as follows:

Executive Order Number 131, Amending Executive Order Number 127 North Carolina Board of Ethics.

On motion of Senator Basnight, seconded by Senator Weinstein, the Senate adjourns at 6:06 P.M. to meet tomorrow, March 31, at 3:00 P.M.

FIFTH DAY

Senate Chamber
Tuesday, March 31, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, the atmosphere in a pediatrician's waiting room on any day and in the Conferees' Committee room today is not dissimilar.

"Everybody in both places, parents and children in one and Legislators in the other, knows something needs fixing, but they all might have different prescriptions for getting well.

"Make getting well the overriding issue in the conversations going on, not which medicine might work better to make it happen. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Ballantine, Senator Carrington, Senator Gulley, Senator Kerr, Senator Rucho, Senator Webster, and Senator Winner.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Monday, March 30, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Kathleen Buckheit from Cary, North Carolina, who is serving the Senate as Nurse of the Day.

The President recognizes the following pages serving in the Senate this week:

Kristen G. Best, Durham; Matthew Warren Carter, Raleigh; Amy Erickson, Durham; Joseph David Hoyle, Chapel Hill; Jonathan David Hoyle, Chapel Hill; Patrick McKittrick, Raleigh; Muriel C. Morris, Raleigh; Joy Snyder, Durham; Joshua Snyder, Durham; and Sara L. Wells, Clayton.

On motion of Senator Basnight, seconded by Senator Soles, the Senate adjourns at 3:07 P.M. to meet tomorrow, April 1, at 11:00 A.M.

SIXTH DAY

Senate Chamber
Wednesday, April 1, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"The Apostle Paul wrote, 'When I was a child I spoke like a child, I thought like a child, I reasoned like a child; when I became an adult I gave up childish things.' He was right. Childish adults cling to the worst of childhood, selfishness, being unreasonable, egocentric, quarrelsome.

"Jesus said, 'Unless you turn and become like children, you will never enter the Kingdom of God.' In other words, childish - no, childlike - yes. Being childlike as an adult is possessing wide-eyed hopefulness, clear-sightedness, honesty, sensitivity.

"That's our challenge everyday, Oh God. Help us to be childlike in our dealings with others, not childish. In Your Holy Name we pray, Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Ballantine and Senator Gulley.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Tuesday, March 31, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Gena Near from Winston Salem, North Carolina, who is serving the Senate as Nurse of the Day.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

House of Representatives
March 31, 1998

Mr. President:

It is ordered that a message be sent to the Senate respectfully advising your Honorable Body that the Speaker made the following changes in the House appointees on the Conference Committee for House Committee Substitute # 2 for **S.B. 2,** A BILL TO BE ENTITLED AN ACT TO ESTABLISH RITE CARE: THE CHILD HEALTH INSURANCE PROGRAM TO PROVIDE HEALTH INSURANCE FOR CHILDREN UP TO ONE HUNDRED EIGHTY-FIVE PERCENT OF THE FEDERAL POVERTY LEVEL AND UNINSURED FOR SIX MONTHS PRIOR TO APPLICATION; TO PROVIDE ADMINISTRATION OF PROGRAM BENEFITS UNDER THE NORTH CAROLINA TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN; TO AUTHORIZE PROGRAM ENROLLEES TO PURCHASE EXTENDED OR ADDITIONAL COVERAGE UNDER THE PROGRAM; TO AUTHORIZE PREMIUMS AND OTHER COST-SHARING UNDER THE PROGRAM; TO ESTABLISH THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON CHILD HEALTH INSURANCE; AND TO AUTHORIZE A TAX CREDIT FOR CERTAIN PURCHASERS OF DEPENDENT HEALTH INSURANCE AND LONG-TERM CARE INSURANCE, Representatives Clary, Nye, and Bonner are removed and Representatives Creech, Morgan, and Neely are appointed.

Respectfully,
S/Denise G. Weeks
Principal Clerk

The President of the Senate extends the courtesies of the gallery to Jennifer Styles and the Home School students of Buncombe County.

On motion of Senator Basnight, seconded by Senator Clark, the Senate adjourns at 11:22 A.M. to meet tomorrow, April 2, at 11:00 A.M.

SEVENTH DAY

Senate Chamber,
Thursday, April 2, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, some words we use as adults are confusing to children and maybe confusing even to those of us who are supposed to know their meaning.

"Take for example, the words fiscal and physical. One might say we want health care to be a bill about fiscal responsibility. Another, we want health care to be a bill about physical responsibility.

"They sound the same but they can be as confusingly ambiguous as the religious idea of the already and not yet of the Kingdom of God.

"One of the terms seems to deal with the not yet, the other deals with the now. They don't have to be mutually exclusive.

"Help the Legislators, Oh Lord, bridge the gap between the two so that no matter which term is used, fiscal or physical, those who need health care don't have to worry about the difference. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Allran, Senator Clark, Senator Forrester, Senator Garwood, Senator Hoyle, and Senator McDaniel.

Senator Soles announces the Journal of yesterday, Wednesday, April 1, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Susan Pierce from Chapel Hill, North Carolina, who is serving the Senate as Nurse of the Day.

REPORT TO THE GENERAL ASSEMBLY

The following report received from a commission and agency directed to report to the General Assembly, is presented to the Senate and ordered placed on file in the Library:

Pursuant to Chapter 18, Section 22.3, of the 1996 Session Laws, the North Carolina Sentencing and Policy Advisory Commission and the North Carolina Department of Correction submits the annual report on recidivism among criminal offenders assigned to community corrections programs or released from prison beginning with Fiscal Year 1993-94.

CONFERENCE COMMITTEE APPOINTMENT

Senator Basnight, President *Pro Tempore* announces the appointment of Senator Wellons to the Senate Conference Committee on **S.B. 2** (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ESTABLISH RITE CARE: THE CHILD HEALTH INSURANCE PROGRAM TO PROVIDE HEALTH INSURANCE FOR CHILDREN UP TO ONE HUNDRED EIGHTY-FIVE PERCENT OF THE FEDERAL POVERTY LEVEL AND UNINSURED FOR SIX MONTHS PRIOR TO APPLICATION; TO PROVIDE ADMINISTRATION OF PROGRAM BENEFITS UNDER THE NORTH CAROLINA TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN; TO AUTHORIZE PROGRAM ENROLLEES TO PURCHASE EXTENDED OR ADDITIONAL COVERAGE UNDER THE PROGRAM; TO AUTHORIZE PREMIUMS AND OTHER COST-SHARING UNDER THE PROGRAM; TO ESTABLISH THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON CHILD HEALTH INSURANCE; AND TO AUTHORIZE A TAX CREDIT FOR CERTAIN PURCHASERS OF DEPENDENT HEALTH INSURANCE AND LONG-TERM CARE INSURANCE.

On motion of Senator Basnight, seconded by Senator Reeves, the Senate adjourns at 11:25 A.M. to meet Monday, April 6, at 6:00 P.M.

EIGHTH DAY

Senate Chamber,
Monday, April 6, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by The Honorable Jeanne Lucas, Senator from Durham County, as follows:

"Spirit of the Living God, fall fresh on us as we begin this legislative week.

"You said, 'Ask and it will be given you; seek and you will find; knock and it will be opened to you.'

"You said if we ask we will receive; if we seek, find; if we knock, it will open.

"Tonight we ask for Thy guidance. We seek Your Will and Your Way. We are knocking so that the doors of compassion and love are opened. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Cochrane and Senator Hoyle.

Senator Ballance announces the Journal of Thursday, April 2, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

REPORTS TO THE GENERAL ASSEMBLY

The following reports received from boards, commissions, and agencies directed to report to the General Assembly, are presented to the Senate and ordered placed on file in the Legislative Library:

The Office of the State Controller, Office of State Budget and Management, and the North Carolina Department of Revenue submits the State of North Carolina, Summary of Financial Condition.

The North Carolina Department of Commerce submits its report regarding the Welfare to Work program, pursuant to Section 12.20A(b), Senate Bill 352.

The North Carolina Department of Health and Human Services, Medical Care Division submits its report as required by G.S.131 E, Article 15, Health Care Personnel Registry Act.

On motion of Senator Basnight, seconded by Senator Kinnaird, the Senate adjourns at 6:10 P.M. to meet tomorrow, Tuesday, April 7, at 11:00 A.M.

NINTH DAY

Senate Chamber
Tuesday, April 7, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by The Honorable Howard N. Lee, Senator from Orange County, as follows:

"Oh God in Heaven, Creator of heaven and earth, we give You thanks for all seasons; Spring, the season for renewal of hope, relaxation, and of great expectations. As the earth is renewed with new and green growth of life, we pray that we, too, will be renewed with the power of Your Spirit working within us.

"Help us to see new opportunities for service, help us to see the new promises for budding and flowering of the people. Help us to bring new light to brighten the darkness of despair that consumes the lives of so many. As this cycle of nature leads us forward towards more promising times, may we as Senators be reminded daily that You are the Lord and Giver all things.

"Help us to remember that You are the cultivator of all things and that Your Will for all of us is the fulfillment of the seed of human potential which You have placed within each of us. Help us to sprout, help us to grow, not just in Spring, but all the days of our lives. Amen."

Senator Ballance announces the Journal of yesterday, Monday, April 6, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Ethel Hennesy from Fayetteville, North Carolina, who is serving the Senate as Nurse of the Day.

On motion of Senator Ballance, seconded by Senator Shaw of Guilford, the Senate adjourns at 11:06 A.M. to meet tomorrow, Wednesday, April 8, at 11:00 A.M.

TENTH DAY

Senate Chamber
Wednesday, April 8, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by The Honorable William R. Purcell, Senator from Scotland County, as follows:

"Our gracious Heavenly Father, we praise You, we honor You and especially today, we thank You.

"We thank You that despite all of our disagreements and differences on child health insurance, there is still a common bond in this Chamber. That common bond is a will to do what is pleasing in Your sight.

"And God, despite as awkward and as cumbersome as it may seem at times, we are also bonded by a belief that our system of government is still the best system in the world.

"Help us to use it to the fullest of our abilities to further Your case for the people of this state and especially the children of our low income working families who, despite our best efforts, are too often neglected.

"We praise You, we honor You, and especially today, God, we thank You for our children. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Carpenter, Senator Cochrane, and Senator Kinnaird.

Senator Ballance announces the Journal of yesterday, Tuesday, April 7, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Mary Isenhour from Durham, North Carolina, who is serving the Senate as Nurse of the Day.

On motion of Senator Ballance, seconded by Senator Martin of Guilford, the Senate adjourns at 11:06 A.M. to meet tomorrow, Thursday, April 9, at 11:00 A.M.

ELEVENTH DAY

Senate Chamber
Thursday, April 9, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Even as the debate continues here over the issue of health care for children, we are reminded Oh God, that this is Holy Week.

"From the Torah and Hebrew narratives about Your rescue of the Israelites from Egyptian captivity following the first Passover to the Gospel's accounts of Jesus, the cross, and resurrection, we walk humbly this week in the shadow and light of those stories.

"Our participation in them can never be reduced to debate, to words, and to personal ideologies. At some point a childlike faith in these oral and written traditions must transpire.

"Only then are we liberated to live the stories as they were intended for us, in flesh and blood, in death and life.

"Today, create in us clean hearts, Oh God, and renew a right spirit within us. For it is in Your most Holy, loving Name we pray. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Clark and Senator Foxx.

Senator Ballance announces the Journal of yesterday, Wednesday, April 8, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dorene Harrison from Cary, North Carolina, who is serving the Senate as Nurse of the Day.

On motion of Senator Ballance, seconded by Senator Rand, the Senate adjourns at 11:04 A.M. to meet Monday, April 13, at 6:00 P.M.

TWELFTH DAY

Senate Chamber
Monday, April 13, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"In our dealings with You, O Lord and others, some things take longer than we would like. We wrangle, negotiate, stop listening and start name calling. Exasperated, we set off on our own course, self-reliant and assured that we know more than our neighbor and maybe, maybe more than You.

"But, when we hit the wall there is a prayer that opens doors, opens minds, opens hearts. It is the prayer of Gethsemene and it goes, 'Nevertheless, not my will, but Yours be done Almighty God.'

"We pray that prayer individually and collectively tonight from the Senate floor and hope that it is quietly felt and unanimously heard throughout this building. Amen."

With unanimous consent, the President grants a leave of absence for tonight to Senator Weinstein.

Senator Ballance announces the Journal of Thursday, April 9, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

On motion of Senator Ballance, seconded by Senator Rand, the Senate adjourns at 6:04 P.M. to meet tomorrow, Tuesday, April 14, at 11:00 A.M.

THIRTEENTH DAY

Senate Chamber
Tuesday, April 14, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear Lord, the ruling from the Supreme Court yesterday seemed to knock what wind was left here, out. Rather than hunker down and lament the situation, we turn our prayers today outward and upward.

"We pray for the children and their parents who will be given hope and a source of celebration when a health care bill is passed by the Legislature.

"We pray for the grace givers, like hospitals and service organizations who will provide medical attention and funds to children and their families until Legislative help is available.

"In praying for the well being of others, we may just find a sense of hope and celebration creeping back into our own lives and some new wind for our sails. Let us never be weary in well-doing. Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Weinstein.

Senator Odom announces the Journal of yesterday, Monday, April 13, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Mary Brown from Garland, North Carolina, who is serving the Senate as Nurse of the Day.

On motion of Senator Odom, seconded by Senator Purcell, the Senate adjourns at 11:03 A.M. to meet tomorrow, Wednesday, April 15, at 11:00 A.M.

FOURTEENTH DAY

Senate Chamber
Wednesday, April 15, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, we often say that the writer of the Psalms speaks to us because so long ago he spoke for us in his prayers to You.

"Children's prayers also have that innocent and innate ability to speak to us and for us.

"Nan prays, 'Dear God, who draws the lines around the countries?'

"And a small boy named Peter voices this prayer, 'Oh God, please send Dennis Clark to a different camp this year.' Amen and Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Ballance.

Senator Lucas announces the Journal of yesterday, Tuesday, April 14, has been examined and is found to be correct. On her motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Ann Herndon from Fayetteville, North Carolina, who is serving the Senate as Nurse of the Day.

On motion of Senator Lucas, seconded by Senator Jordan, the Senate adjourns at 11:03 A.M. to meet tomorrow, Thursday, April 16, at 11:00 A.M.

FIFTEENTH DAY

Senate Chamber
Thursday, April 16, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear Lord, accept our praise as we seek to live out our lives today under Your divine guidance. We are not what we should be, but thanks to Your Grace, we are not what we were.

"And most of all, we would pray that You would let the influence of Your Holy Spirit continually change us from what we are, to what You would have us to be. In Your Holy Name we pray. Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Clark.

Senator Ballance announces the Journal of yesterday, Wednesday, April 15, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Linda Malone from Fayetteville, North Carolina, who is serving the Senate as Nurse of the Day.

On motion of Senator Ballance, seconded by Senator Soles, the Senate adjourns at 11:09 A.M. to meet Monday, April 20, at 6:00 P.M.

SIXTEENTH DAY

Senate Chamber
Monday, April 20, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, we're reminded that the first apostolic miracle occurred when a poor man, lame from birth, asked Peter and John to give him a few pennies.

"Having no money, though, Peter responded, 'What I do have I will give you. In the name of the Lord, rise up and walk.' The lame man rose and took his first steps, rejoicing.

"We would not presume to be faith healers here in the Senate, Oh God, but we are people of faith. When asked by the working poor to help fund insurance for their children, may we put our faith into action by responding, 'What we do have, we will make available to you.'

"Let the men and women of the Senate and House be agents of another miracle of healing by their actions this week we pray. In Your Name, Amen."

With unanimous consent, the President grants a leave of absence for tonight to Senator Lee.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, April 16, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

PERSONAL PRIVILEGE

The remarks of Senator Basnight who rises to a point of personal privilege memorializing the late Honorable Terry Sanford, former Governor and United States Senator, who died on Saturday, April 18, 1998, are spread upon the Journal as follows:

"Most of us who are in this Assembly today, probably don't remember the contributions made by Governor Terry Sanford. But those of us who sit here today, and the ones who will follow us when we are gone, are building on that very foundation that he laid during his tenure of time in service to our State.

"You know his accomplishments: strong community colleges, universities and public schools, performing arts, equality for all citizens, and economic development. To me, his greatest achievement was realizing that the cornerstone to making our state the success that it is today would be, and will continue to be, a good education for all.

"Here's what he wrote in his book:

> 'By starting with sound, meaningful education, we make it possible for each person to add his own gift to his generation, to become a part of the progress of man. In turn, the individual makes the nation stronger, defends against its enemies, adds to its wealth and carries forward its ideals and faith.'

"Terry Sanford was the best of what North Carolina has to offer. We want to remember him in our prayers, as well as his family, particularly his dear wife, Margaret Rose. We can only hope that we can carry on a legacy that would make him proud."

"Funeral services will be held on Wednesday at 11:00 A.M. at the Duke Chapel. I will be attending and invite all of you who can come to do so and join me on behalf and yourself, of this North Carolina Senate in honoring this great man. Buses will leave at 9:45 A.M. We will meet between the buildings on Lane Street. If you want to ride, please contact Norma Mills. Thank you."

EXECUTIVE ORDER

An Executive Order received in the Office of the Senate Principal Clerk is presented to the Senate and read as follows:

Executive Order No. 132, Volunteer Leave for State Employees Serving in the 1999 Special Olympics World Summer Games.

On motion of Senator Basnight, seconded by Senator Rand, the Senate adjourns at 6:17 P.M. in memory of the Honorable Terry Sanford, to meet tomorrow, Tuesday, April 21, at 3:30 P.M.

SEVENTEENTH DAY

Senate Chamber
Tuesday, April 21, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Lord, You have dealt with us, not on the basis of what we deserve (for who among us would want to be treated like that), but on the basis of Your extravagant, unconditional love. Overlooking our faults, forgiving our sins, setting aside our guilt, You have loved us with a love that will not let us go.

"Forgive, therefore, our inability to love as we have been loved. Continue to overlook the ways in which we condemn others for the sins of which we think we are innocent. Make us more forgiving, more understanding, more willing to see the world from their perspective, more eager to use what we have for the good of others in need.

"In all things, when we love, we love because we have been loved. Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Weinstein.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Monday, April 20, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Burt Patrick from Carthage, North Carolina, who is serving the Senate as Nurse of the Day.

On motion of Senator Basnight, seconded by Senator Reeves, the Senate adjourns at 3:40 P.M. to meet tomorrow, Wednesday, April 22, at 9:00 A.M.

EIGHTEENTH DAY

Senate Chamber
Wednesday, April 22, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Marc Basnight, President *Pro Tempore*, who presides in the absence of the Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"We come before You today, Oh God, observing a few moments of silent prayer in honor and memory of a great North Carolinian, Terry Sanford.

"Edgar Albert Guest penned some words about people like Mr. Sanford when he wrote, 'The things that haven't been done before, those are the things to try; Columbus dreamed of an unknown shore at the rim of the far-flung sky.'

"May the life and memory of Terry Sanford serve as inspiration to all of us to be men and women of ideas and action on behalf of the people of our State. Receive him graciously into Your Holy Presence, Oh God. Amen."

Senator Rand announces the Journal of yesterday, Tuesday, April 21, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

Senator Basnight announces that the Senate will adjourn today to reconvene on Friday, April 24, and every three days thereafter.

The President *Pro Tempore* of the Senate extends courtesies of the floor to Linda Russell from Raleigh, North Carolina, who is serving the Senate as Nurse of the Day.

On motion of Senator Rand, seconded by Senator Odom, the Senate adjourns at 9:16 A.M. to meet Friday, April 24, at 10:00 A.M.

NINETEENTH DAY

Senate Chamber
Friday, April 24, 1998

The Senate meets pursuant to adjournment and is called to order by Janet Pruitt, Principal Clerk of the Senate.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, today's session gives credence to the Matthean Passage, 'Where two or three are gathered in my Name, I am there among them.'

"We claim that promise and pray that a fresh presence of Your Holy Spirit will find the legislators wherever they are today, and will encourage them to complete the task which brought them here for this special session--passage of a health care bill for children. In Your Name we pray, Amen."

Senator Miller announces the Journal of Wednesday, April 22, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

On motion of Senator Reeves, seconded by Senator Miller, the Senate adjourns at 10:02 A.M. to meet Tuesday, April 28, at 9:00 A.M.

TWENTIETH DAY

Senate Chamber
Tuesday, April 28, 1998

The Senate meets pursuant to adjournment and is called to order by Janet Pruitt, Principal Clerk of the Senate.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"In the dark of the night, and thinking it was the Priest Eli, Samuel rose from his bed three times to answer the call, 'Samuel, get up.' The fourth time, realizing it was You who called, O God, Samuel responded, 'Speak Lord, for Your servant heareth.'

"When the Senators are called back to chamber by Senator Basnight for the second time during this session, they will recognize his voice, but they also know that it is at Your prodding. May their response, like Samuel's, also be 'Speak Lord, for Your servants hear'. Amen."

Senator Reeves announces the Journal of Friday, April 24, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The Principal Clerk of the Senate extends courtesies of the floor to Flora Pemberton from Fayetteville, North Carolina, who is serving the Senate as Nurse of the Day.

On motion of Senator Miller, seconded by Senator Reeves, the Senate adjourns at 9:13 A.M. to meet tomorrow, Wednesday, April 29, at 9:00 A.M.

TWENTY-FIRST DAY

Senate Chamber
Wednesday, April 29, 1998

The Senate meets pursuant to adjournment and is called to order by Janet Pruitt, Principal Clerk of the Senate.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, we are grateful for the news that a compromise has been reached on the health care bill.

"I remember once praying in this Chamber that compromise makes a good tent but a poor roof. I was wrong. In this case, compromise has erected a structure which affords uninsured children the medical gift of life.

"Today, O God, compromise is a vehicle of Your grace.

"Continue to give the Senators, all of us, some measure of Your expansive, inclusive love so that, in some way, we might see others as You see them and see ourselves as You see us. Thank You, Father. Amen."

Senator Miller announces the Journal of yesterday, Tuesday, April 28, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The Principal Clerk of the Senate extends courtesies of the floor to Debbie Capers from Fayetteville, North Carolina, who is serving the Senate as Nurse of the Day.

With unanimous consent, on motion of Senator Reeves, the Senate recesses at 9:01 A.M. to reconvene at 4:00 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

With unanimous consent, the President grants leaves of absence for today to Senator Gulley, Senator Jenkins and Senator Moore.

EXECUTIVE ORDER

An Executive Order received in the Office of the Senate Principal Clerk is presented to the Senate and read as follows:

Executive Order Number 133, Governor's Public Management Internship Program.

CONFERENCE REPORT

S.B. 2

Senator Rand for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **S.B. 2,** A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM AND TO APPROPRIATE FUNDS THEREFOR, which House Committee Substitute bill proposes to change the title, upon concurrence, to read **S.B. 2 (House Committee Substitute #2)**, A BILL TO BE ENTITLED AN ACT TO ESTABLISH RITE CARE: THE CHILD HEALTH INSURANCE PROGRAM TO PROVIDE HEALTH INSURANCE FOR CHILDREN UP TO ONE HUNDRED EIGHTY-FIVE PERCENT OF THE FEDERAL POVERTY LEVEL AND UNINSURED FOR SIX MONTHS PRIOR TO APPLICATION; TO PROVIDE ADMINISTRATION OF PROGRAM BENEFITS UNDER THE NORTH CAROLINA TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN; TO AUTHORIZE PROGRAM ENROLLEES TO PURCHASE EXTENDED OR ADDITIONAL COVERAGE UNDER THE PROGRAM; TO AUTHORIZE PREMIUMS AND OTHER COST-SHARING UNDER THE PROGRAM; TO ESTABLISH THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON CHILD HEALTH INSURANCE; AND TO AUTHORIZE A TAX CREDIT FOR CERTAIN PURCHASERS OF DEPENDENT HEALTH INSURANCE AND LONG-TERM CARE INSURANCE, which proposes to further change the title, upon adoption, to read **S.B. 2 (Conference Committee Substitute)**, A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE HEALTH INSURANCE PROGRAM FOR CHILDREN AND TO AUTHORIZE A TAX CREDIT FOR CERTAIN PURCHASERS OF DEPENDENT HEALTH INSURANCE, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 2, A BILL TO BE ENTITLED AN ACT TO ESTABLISH RITE CARE: THE CHILD HEALTH INSURANCE PROGRAM TO PROVIDE HEALTH INSURANCE FOR CHILDREN UP TO ONE HUNDRED EIGHTY-FIVE PERCENT OF THE FEDERAL POVERTY LEVEL AND UNINSURED FOR SIX MONTHS PRIOR TO APPLICATION; TO PROVIDE ADMINISTRATION OF PROGRAM BENEFITS UNDER THE NORTH CAROLINA TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN; TO AUTHORIZE PROGRAM ENROLLEES TO PURCHASE EXTENDED OR ADDITIONAL COVERAGE UNDER THE PROGRAM; TO AUTHORIZE PREMIUMS AND OTHER COST-SHARING UNDER THE PROGRAM; TO ESTABLISH THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON CHILD HEALTH INSURANCE; AND TO AUTHORIZE A TAX CREDIT FOR CERTAIN PURCHASERS OF DEPENDENT HEALTH INSURANCE AND LONG-TERM CARE INSURANCE, House Committee Substitute #2, Fourth Edition Engrossed 3/26/98, submit the following report:

The House of Representatives and the Senate agree to the following amendment to the House Committee Substitute #2, Fourth Edition Engrossed 3/26/98, and the House concurs in the House Committee Substitute #2, Fourth Edition Engrossed 3/26/98, with the following amendment:

Delete the entire House Committee Substitute #2, Fourth Edition Engrossed 3/26/98, and substitute the attached Proposed Conference Committee Substitute S2-PCCS 7882.

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: April 29, 1998.

S/Anthony E. Rand	S/N. Leo Daughtry
S/William N. Martin	S/Charlotte A. Gardner
S/Roy A. Cooper, III	S/Lanier M. Cansler
S/Frank W. Ballance, Jr.	S/Billy J. Creech
S/Beverly E. Perdue	S/Theresa H. Esposito
S/Leslie Winner	S/Richard T. Morgan
S/Jeanne H. Lucas	S/C. B. Neely, Jr.
S/Jim W. Phillips, Sr.	Julia C. Howard
S/Williams R. Purcell	Cherie K. Berry
S/Allen H. Wellons	
Conferees for the Senate	*Conferees for the House of Representatives*

The text of the attached proposed Conference Committee Substitute bill 7882, is as follows:

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE HEALTH INSURANCE PROGRAM FOR CHILDREN AND TO AUTHORIZE A TAX CREDIT FOR CERTAIN PURCHASERS OF DEPENDENT HEALTH INSURANCE.

The General Assembly of North Carolina enacts:

Section 1. Article 2 of Chapter 108A of the General Statutes is amended by adding the following new Part to read:

"Part 8. Health Insurance Program for Children.

"**§ 108A-70.18. Definitions.**

Unless the context clearly requires otherwise, the term:

(1) `Comprehensive health coverage' means creditable health coverage as defined under Title XXI.

(2) `Family income' has the same meaning as used in determining eligibility for the Medical Assistance Program.

(3) `FPL' or `federal poverty level' means the federal poverty guidelines established by the United States Department of Health and Human Services, as revised each April 1.

(4) `Medical Assistance Program' means the State Medical Assistance Program established under Part 6 of Article 2 of Chapter 108A of the General Statutes.

(5) `Program' means The Health Insurance Program for Children established in this Part.

(6) `State Plan' means the State Child Health Plan for the State Children's Health Insurance Program established under Title XXI.

(7) `Title XXI' means Title XXI of the Social Security Act, as added by Pub. L. 105-33, 111 Stat. 552, codified in scattered sections of 42 U.S.C. (1997).

(8) `Uninsured' means the applicant for Program benefits was not covered under any private or employer-sponsored comprehensive health insurance plan for the six-month period immediately preceding the date the Program becomes effective. Effective six months from date the Program becomes effective, `uninsured' means the applicant is and was not covered under any private or employer-sponsored comprehensive health insurance plan for 60 days immediately preceding the date of application. The waiting periods required under this subdivision shall be waived if the child has lost Medicaid eligibility due to a change in family income or has lost employer-sponsored comprehensive health care coverage due to termination of employment, cessation by the employer of employer-sponsored health coverage, or cessation of the employer's business.

"**§ 108A-70.19. Short title; purpose; no entitlement.**

This Part may be cited as `The Health Insurance Program for Children Act of 1998.' The purpose of this Part is to provide comprehensive health insurance coverage to uninsured low-income children who are residents of this State. Coverage shall be provided from federal funds received, State funds appropriated, and other nonappropriated funds made available for this purpose. Nothing in this Part shall be construed as obligating the General Assembly to appropriate funds for the Program or as entitling any person to coverage under the Program.

"**§ 108A-70.20. Program established.**

The Health Insurance Program for Children is established. The Program shall be administered by the Department of Health and Human Services in accordance with

this Part and as required under Title XXI and related federal rules and regulations. Administration of Program benefits and claims processing shall be as provided under Part 5 of Article 3 of Chapter 135 of the General Statutes.

"§ 108A-70.21. Program eligibility; benefits; enrollment fee and other cost-sharing; coverage from private plans; purchase of extended coverage.

(a) Eligibility. -- The Department may enroll eligible children based on availability of funds. Following are eligibility and other requirements for participation in the Program:

(1) Children must:

a. Be under the age of 19;

b. Be ineligible for Medicaid, Medicare, or other federal government-sponsored health insurance;

c. Be uninsured;

d. Be in a family that meets the following family income requirements:

1. Infants under the age of one year whose family income is from one hundred eighty-five percent (185%) through two hundred percent (200%) of the federal poverty level;

2. Children age one year through five years whose family income is above one hundred thirty-three percent (133%) through two hundred percent (200%) of the federal poverty level; and

3. Children age six years through eighteen years whose family income is above one hundred percent (100%) through two hundred percent (200%) of the federal poverty level;

e. Be a resident of this State and eligible under federal law; and

f. Have paid the Program enrollment fee required under this Part.

(2) Proof of family income and residency and declaration of uninsured status shall be provided by the applicant at the time of application for Program coverage. The family member who is legally responsible for the children enrolled in the Program has a duty to report any change in the enrollee's status within 60 days of the change of status.

(3) If a responsible parent is under a court order to provide or maintain health insurance for a child and has failed to comply with the court order, then the child is deemed uninsured for purposes of determining eligibility for Program benefits if at the time of application the custodial parent shows proof of agreement to notify and cooperate with the child support enforcement agency in enforcing the order.

If health insurance other than under the Program is provided to the child after enrollment and prior to the expiration of the eligibility period for which the child is enrolled in the Program, then the child is deemed to be insured and ineligible for continued coverage under the Program. The custodial parent has a duty to notify the Department within 10 days of receipt of the other health insurance, and the Department, upon receipt of notice, shall disenroll the child from the Program. As used in this paragraph,

the term `responsible parent' means a person who is under a court order to pay child support.

(4) Except as otherwise provided in this section, enrollment shall be continuous for one year. At the end of each year, applicants may reapply for Program benefits.

(b) Benefits. -- Except as otherwise provided for eligibility, fees, deductibles, copayments, and other cost-sharing charges, health benefits coverage provided to children eligible under the Program shall be equivalent to coverage provided for dependents under the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan, including optional prepaid plans. Prescription drug providers shall accept as payment in full, for outpatient prescriptions filled, ninety percent (90%) of the average wholesale price for the prescription drug or the amounts published by the Health Care Financing Administration plus a fee established by the provider not to exceed the amount authorized under subdivision (d)(3) of this section. All other health care providers providing services to Program enrollees shall accept as payment in full for services rendered the maximum allowable charges under the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan for services less any copayments assessed to enrollees under this Part. No child enrolled in the Plan's self-insured indemnity program shall be required by the Plan to change health care providers as a result of being enrolled in the Program.

In addition to the benefits provided under the Plan, the following services and supplies are covered under the Health Insurance Program for Children established under this Part:

(1) Dental: Oral examinations, teeth cleaning, and scaling twice during a 12-month period, full mouth X rays once every 60 months, supplemental bitewing X rays showing the back of the teeth once during a 12-month period, fluoride applications once during a 12-month period, and routine fillings of amalgam or other tooth-colored filling material to restore diseased teeth. No benefits are to be provided for services under this subsection that are not performed by or upon the direction of a dentist, doctor, or other professional provider approved by the Plan nor for services and materials that do not meet the standards accepted by the American Dental Association.

(2) Vision: Scheduled routine eye examinations once every 12 months, eyeglass lenses or contact lenses once every 12 months, routine replacement of eyeglass frames once every 24 months, and optical supplies and solutions when needed. Optical services, supplies, and solutions must be obtained from licensed or certified opthamologists, optometrists, or optical dispensing laboratories. Eyeglass lenses are limited to single vision, bifocal, trifocal, or other complex lenses necessary for a Plan enrollee's visual welfare. Coverage for oversized lenses and frames, designer frames, photosensitive lenses, tinted contact lenses, blended lenses, progressive multifocal lenses, coated lenses, and laminated lenses is limited to the coverage for single vision, bifocal, trifocal, or other complex lenses provided by this subsection. Eyeglass frames are limited to those made of zylonite, metal, or a combination of zylonite and metal. All visual aids covered by this subsection require prior approval of the Plan. Upon prior approval by the

Plan, refractions may be covered more often than once every 12 months.

(3) Hearing: Auditory diagnostic testing services and hearing aids and accessories when provided by a licensed or certified audiologist, otolaryngologist, or other hearing aid specialist approved by the Plan. Prior approval of the Plan is required for hearing aids, accessories, earmolds, repairs, loaners, and rental aids.

(c) Annual Enrollment Fee. -- There shall be no enrollment fee for Program coverage for enrollees whose family income is at or below one hundred fifty percent (150%) of the federal poverty level. The enrollment fee for Program coverage for enrollees whose family income is above one hundred fifty percent (150%) of the federal poverty level shall be fifty dollars ($50.00) per year per child with a maximum annual enrollment fee of one hundred dollars ($100.00) for two or more children. The enrollment fee shall be collected by the county department of social services and retained to cover the cost of determining eligibility for services under the Program. County departments of social services shall establish procedures for the collection of enrollment fees.

(d) Cost-Sharing. -- There shall be no deductibles, copayments, or other cost-sharing charges for families covered under the Program whose family income is at or below one hundred fifty percent (150%) of the federal poverty level. Families covered under the Program whose family income is above one hundred fifty percent (150%) of the federal poverty level shall be responsible for copayments to providers as follows:

(1) Five dollars ($5.00) per child for each visit to a provider, except that there shall be no copayment required for well-baby, well-child, or age-appropriate immunization services;

(2) Five dollars ($5.00) per child for each outpatient hospital visit;

(3) A six-dollar ($6.00) fee for each outpatient prescription drug purchased;

(4) Twenty dollars ($20.00) for each emergency room visit unless:

a. The child is admitted to the hospital, or

b. No other reasonable care was available as determined by the Claims Processing Contractor of the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan.

Copayments required under this subsection for prescription drugs apply only to prescription drugs prescribed on an outpatient basis.

(e) Cost-Sharing Limitations. -- The total annual aggregate cost-sharing, including fees, with respect to all children in a family receiving Program benefits under this Part shall not exceed five percent (5%) of the family's income for the year involved. To assist the Department in monitoring and ensuring that the limitations of this subsection are not exceeded, the Executive Administrator and Board of Trustees of the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan shall provide data to the Department showing cost-sharing paid by Program enrollees.

(f) Coverage From Private Plans. -- The Department shall, from funds available for the Program, pay the cost for dependent coverage provided under a private insurance plan for persons eligible for coverage under the Program if all of the following conditions are met:

(1) The person eligible for Program coverage requests to obtain dependent coverage from a private insurer in lieu of coverage

under the Program and shows proof that coverage under the private plan selected meets the requirements of this subsection;

(2) The dependent coverage under the private plan is actuarially equivalent to the coverage provided under the Program and the private plan does not engage in the exclusive enrollment of children with favorable health care risks;

(3) The cost of dependent coverage under the private plan is the same as or less than the cost of coverage under the Program; and

(4) The total annual aggregate cost-sharing, including fees, paid by the enrollee under the private plan for all dependents covered by the plan, do not exceed five percent (5%) of the enrollee's family income for the year involved.

The Department may reimburse an enrollee for private coverage under this subsection upon a showing of proof that the dependent coverage is in effect for the period for which the enrollee is eligible for the Program.

(g) Purchase of Extended Coverage. -- An enrollee in the Program who loses eligibility due to an increase in family income above two hundred percent (200%) of the federal poverty level and up to and including two hundred twenty-five percent (225%) of the federal poverty level may purchase at full premium cost continued coverage under the Program for a period not to exceed one year beginning on the date the enrollee becomes ineligible under the income requirements for the Program. The same benefits, copayments, and other conditions of enrollment under the Program shall apply to extended coverage purchased under this subsection.

(h) No State Funds for Voluntary Participation. -- No State or federal funds shall be used to cover, subsidize, or otherwise offset the cost of coverage obtained under subsection (g) of this section.

"§ 108A-70.22. Allocation of federal and State funds for Program; consultation with Joint Legislative Health Care Oversight Committee.

The Department of Health and Human Services, after having consulted with and received advice from the Joint Legislative Health Care Oversight Committee established under G.S. 120-70.110, shall from total funds available to the Department for Program implementation, allocate and adjust, as needed, funds to pay the North Carolina Teachers' and State Employees' Major Medical Plan in accordance with G.S. 108A-70.23 and Part 5 of Article 3 of Chapter 135 of the General Statutes, and funds to pay for eligible services provided for children with special needs in accordance with G.S. 108A-70.23.

"§ 108A-70.23. Services for children with special needs established; definition; eligibility; services; limitation; recommendations; no entitlement.

(a) The Department shall, from federal funds received and State funds appropriated for the Program, pay for services for children with special needs as authorized under this section. As used in this section, the term `children with special needs' or `special needs child' means children who have been diagnosed as having one or more of the following conditions which in the opinion of the diagnosing physician (i) is likely to continue indefinitely, (ii) interferes with daily routine, and (iii) require extensive medical intervention and extensive family management:

(1) Birth defect, including genetic, congenital, or acquired disorders;

(2) Developmental disability as defined under G.S. 122C-3;

(3) Mental or behavioral disorder; or

(4) Chronic and complex illnesses.

(b) Eligibility for Services. -- In order to be eligible for services under this section a special needs child must be enrolled in the Program.

(c) Services Provided. -- The services authorized to be provided to children eligible under this section are as follows:

(1) The same level of services as provided for special needs children under the Medical Assistance Program as authorized in the Current Operations Appropriations Act except that no services for long-term care shall be provided under this section, and except that services for respite care shall be provided only under emergency circumstances; and

(2) Only those services eligible under this section that are not covered or otherwise provided under Part 5 of Article 3 of Chapter 135 of the General Statutes.

(d) Limitation. -- Funds may be expended for services under this section only if the special needs child is enrolled in the Program, the services provided under this section are not provided under Part 5 of Article 3 of Chapter 135 of the General Statutes, and the child meets the definition of a special needs child under this section.

(e) Case Management Services. -- The Department shall develop procedures for the provision of case management services by the Department to eligible special needs children. Case management services shall be developed to ensure to the maximum extent possible that services are provided in the most efficient and effective manner considering the special needs of the child. The cost of providing case management services for children with special needs shall be paid from funds available for services under this section.

(f) Recommendations by Commission on Children With Special Health Care Needs. -- In implementing this section the Department shall consider the recommendations of the Commission on Children With Special Health Care Needs established under Article 71 of Chapter 143 of the General Statutes. The Department, in consultation with the Commission on Children With Special Health Care Needs shall develop procedures for providing respite care services under emergency circumstances.

(g) No Entitlement. -- Nothing in this section shall be construed as entitling any person to services under this section.

"§ 108A-70.24. Claims processing; payments.

(a) The North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan shall be responsible for the administration and processing of claims for benefits under the Program, as provided under Part 5 of Article 3 of Chapter 135 of the General Statutes.

(b) The Department shall, from State and federal appropriations, and from any other funds made available for this purpose, make premium payments to the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan as determined by the Plan for its administration, claims processing, and other services authorized to provide coverage for acute medical care to children eligible for benefits under this Part.

(c) The North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan shall also be responsible for the administration and processing of claims for benefits provided under G.S. 108A-70.23 and not covered by Part 5 of Article 3 of Chapter 135 of the General Statutes. Such claims payments shall be made against accounts maintained by the Department.

"§ 108A-70.25. State Plan for Health Insurance Program for Children.

The Department shall develop and submit a State Plan to implement `The Health Insurance Program for Children' authorized under this Part to the federal government as application for federal funds under Title XXI. The State Plan submitted under this Part shall be developed by the Department only as authorized

by and in accordance with this Part. No provision in the State Plan submitted under this Part may expand or otherwise alter the scope or purpose of the Program from that authorized under this Part. The Department shall include in the State Plan submitted only those items required by this Part and required by the federal government to qualify for federal funds under Title XXI and necessary to secure the State's federal fund allotment for the applicable fiscal period. Except as otherwise provided in this section, the Department shall not amend the State Plan nor submit any amendments thereto to the federal government for review or approval without the specific approval of the General Assembly. In the event federal law requires that an amendment be made to the State Plan and further requires that the amendment be submitted or implemented within a time period when the General Assembly is not and will not be in session to approve the amendment, then the Department may submit the amendment to the federal government for review and approval without the approval of the General Assembly. Prior to submitting an amendment to the federal government without General Assembly approval as authorized in this section, the Department shall report the proposed amendment to the Joint Legislative Health Care Oversight Committee and to members of the Joint Appropriations Subcommittee on Health and Human Services. The report shall include an explanation of the amendment, the necessity therefor, and the federal time limits required for implementation of the amendment.

"§ 108A-70.26. Application process; outreach efforts; appeals.

Application. -- The Department shall use an application form for the Program that is concise, relatively easy for the applicant to comprehend and complete, and only as lengthy as necessary for identifying applicants, determining eligibility for the Program or Medicaid, and providing information to applicants on requirements for application submission and proof of eligibility. Application forms shall be obtainable from public health departments and county departments of social services. Applications shall be processed by the county department of social services and may be submitted by mail. The Department may adopt rules for the submission and processing of applications and for securing the proof of eligibility for benefits under this Part.

The application form for the Program shall have printed on it or attached to it a notice stating substantially: `The Health Insurance Program for Children' is a federally and State funded program that may be discontinued if federal funds are not provided for its continuation.

(b) Outreach Efforts. -- The Department shall adopt procedures to ensure that the Program is adequately publicized statewide and to comply with federal outreach requirements. The Department shall make information about the Program available through the Internet and shall explore the feasibility of securing a 24-hour toll-free telephone number to facilitate access to Program information. In order to avoid duplication of efforts, in developing outreach procedures the Department shall establish system linkages to ensure the collaboration and coordination of information between and among the Program and such ongoing programs and efforts as:

WIC Program.
Maternal and Child Health Block Grant.
Children's Special Health Services.
Smart Start.
Head Start.

The Department shall seek private and federal grant funds for outreach activities. The Department shall also seek the participation of the private sector in providing no-cost or low-cost avenues for publicizing the Program in local communities and statewide. The Department may work with the State Health Plan Purchasing

Alliance Board to develop programs that utilize the expertise and resources of the Alliances in outreach activities to employees of small businesses.

(c) Appeals. -- A person who is dissatisfied with the action of a county department of social services with respect to the determination of eligibility for benefits under the Program may appeal the action in accordance with G.S. 108A-79.

"**§ 108A-70.27. Data collection; reporting.**

(a) The Department shall ensure that the following data are collected, analyzed, and reported in a manner that will most effectively and expeditiously enable the State to evaluate Program goals, objectives, operations, and health outcomes for children:

(1) Number of applicants for coverage under the Program;

(2) Number of Program applicants deemed eligible for Medicaid;

(3) Number of applicants deemed eligible for the Program, by income level, age, and family size;

(4) Number of applicants deemed ineligible for the Program and the basis for ineligibility;

(5) Number of applications made at county departments of social services, public health departments, and by mail;

(6) Total number of children enrolled in the Program to date and for the immediately preceding fiscal year;

(7) Total number of children enrolled in Medicaid through the Program application process;

(8) Trends showing the Program's impact on hospital utilization, immunization rates, and other indicators of quality of care, and cost-effectiveness and efficiency;

(9) Trends relating to the health status of children;

(10) Other data that would be useful in carrying out the purposes of this Part.

(b) The Department shall report annually to the Joint Legislative Health Care Oversight Committee and shall provide a copy of the report to the Joint Appropriations Subcommittees on Health and Human Services. The report shall include:

(1) Data collected as required under subsection (a) of this section and an analysis thereof giving trends and projections for continued Program funding;

(2) Program areas working most effectively and least effectively;

(3) Performance measures used to ensure Program quality, fiscal integrity, ease of access, and appropriate utilization of preventive and medical care;

(4) Effectiveness of system linkages in addressing access, quality of care, and Program efficiency;

(5) Recommended changes in the Program necessary to improve Program efficiency and effectiveness;

(6) Any other information requested by the Committee pertinent to the provision of health insurance for children and the implementation of the Program.

(c) The Executive Administrator and Board of Trustees of the North Carolina Teachers' and State Employees' Major Medical Plan (`Plan') shall provide to the Department data required under this section that are collected by the Plan. Data shall be reported by the Plan in sufficient detail to meet federal reporting requirements under Title XXI. The Plan shall report periodically to the Joint Legislative Health Care Oversight Committee claims processing data for the Program

and any other information the Plan or the Committee deems appropriate and relevant to assist the Committee in its review of the Program.

"§ 108A-70.28. Fraudulent misrepresentation.

(a) It shall be unlawful for any person to knowingly and willfully, and with intent to defraud, make or cause to be made a false statement or representation of a material fact in an application for coverage under this Part or intended for use in determining eligibility for coverage.

(b) It shall be unlawful for any applicant, recipient, or person acting on behalf of the applicant or recipient to knowingly and willfully, and with intent to defraud, conceal, or fail to disclose any condition, fact, or event affecting the applicant's or recipient's initial or continued eligibility to receive coverage or benefits under this Part.

(c) It is unlawful for any person knowingly, willingly, and with intent to defraud, to obtain or attempt to obtain, or to assist, aid, or abet another person, either directly or indirectly, to obtain money, services, or any other thing of value to which the person is not entitled as a recipient under this Part, or otherwise to deliberately misuse a Program identification card. This misuse includes the sale, alteration, or lending of the Program identification card to others for services and the use of the card by someone other than the recipient to receive or attempt to receive Program coverage for services rendered to that individual.

Proof of intent to defraud does not require proof of intent to defraud any particular person.

(d) A person who violates a provision of this section shall be guilty of a Class I felony.

(e) For purposes of this section the word `person' includes any natural person, association, consortium, corporation, body politic, partnership, or other group, entity, or organization."

Section 2. (a) G.S. 120-70.110 reads as rewritten:

"§ 120-70.110. Creation and membership of Joint Legislative Health Care Oversight Committee.

There is established the Joint Legislative Health Care Oversight Committee. The Committee consists of ~~14~~ 16 members as follows:

(1) ~~Seven~~ Eight members of the Senate appointed by the President Pro Tempore of the Senate, at least three of whom are members of the minority party; and

(2) ~~Seven~~ Eight members of the House of Representatives appointed by the Speaker of the House of Representatives, at least three of whom are members of the minority party.

Terms on the Committee are for two years and begin on the convening of the General Assembly in each odd-numbered year, except the terms of the initial members, which begin on appointment. Members may complete a term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

A member continues to serve until the member's successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment."

(b) Initial terms of the additional members appointed under subsection (a) of this section shall begin upon appointment and shall expire on the convening of the 2001 General Assembly, except if those members are not reelected to serve in the 1999 General Assembly then their terms shall expire upon the convening of the 1999 General Assembly.

(c) G.S. 120-70.111 reads as rewritten:

"**§ 120-70.111. Purpose and powers of Committee.**

(a) The Joint Legislative Health Care Oversight Committee shall review, on a continuing basis, the provision of health care and health care coverage to the citizens of this State, in order to make ongoing recommendations to the General Assembly on ways to improve health care for North ~~Carolinas~~ Carolinians. To this end, the Committee shall study the delivery, availability, and cost of health care in North Carolina. The Committee shall also review, on a continuing basis, the implementation of the State Health Insurance Program for Children established under Part 8 of Article 2 of Chapter 108A of the General Statutes. As part of its review, the Committee shall advise and consult with the Department of Health and Human Services as provided under G.S. 108A-70.21. The Committee may also study other matters related to health care and health care coverage in this State.

(b) The Committee may make interim reports to the General Assembly on matters for which it may report to a regular session of the General Assembly. A report to the General Assembly may contain any legislation needed to implement a recommendation of the Committee.

(c) The Committee may use employees of the Legislative Services Office and may employ contractual services as approved by the Legislative Services Commission to review and monitor, on a continuing basis, the implementation of the Health Insurance Program for Children established under Part 8 of Article 2 of Chapter 108A of the General Statutes. The Committee shall have access to all records of the Department of Health and Human Services pertaining to the Health Insurance Program for Children and shall be kept apprised by the Department of communications between the Department and the Health Care Financing Administration with respect to development, submission, and approval of and amendments to the State Plan for the Health Insurance Program for Children. The Committee and its employees shall also be entitled to attend all meetings and have access to all records of the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan pertaining to the Health Insurance Program for Children that are not confidential in accordance with G.S. 135-37. G.S 135-37 shall be applicable to the Health Insurance Program for Children to the same extent that is applicable to teachers and State employees."

Section 3. (a) Chapter 143 of the General Statutes is amended by adding the following new Article to read:

"ARTICLE 71.

"Commission on Children With Special Health Care Needs.

"**§ 143-682. Commission established.**

(a) There is established the Commission on Children With Special Health Care Needs. The Department of Health and Human Services shall provide staff services and space for Commission meetings. The purpose of the Commission is to monitor and evaluate the availability and provision of health services to special needs children in this State, and to monitor and evaluate services provided to special needs children under the Health Insurance Program for Children established under Part 8 of Article 2 of Chapter 108A of the General Statutes.

(b) The Commission shall consist of seven members appointed by the Governor, as follows:

(1) A parent of a special needs child;

(2) A licensed psychiatrist recommended by the North Carolina Psychiatric Association;

(3) A licensed psychologist recommended by the North Carolina Psychological Association;

(4) A licensed pediatrician whose practice includes services for special needs children, recommended by the Pediatric Society of North Carolina;

(5) A representative of one of the children's hospitals in the State, recommended by the Pediatric Society of North Carolina;

(6) A local public health director recommended by the Association of Local Health Directors; and

(7) An educator providing education services to special needs children, recommended by the North Carolina Council of Administrators of Special Education.

(c) The Governor shall appoint from among Commission members the person who shall serve as chair of the Commission. Of the initial appointments, two shall serve one-year terms, two shall serve two-year terms, and three shall serve three-year terms. Thereafter, terms shall be for two years. Vacancies occurring before expiration of a term shall be filed from the same appointment category in accordance with subsection (b) of this section.

"**§ 143-683. Powers and duties of the Commission.**

The Commission shall have the following powers and duties:

(1) Study the needs of children with special health care needs in this State for health care services not presently provided or regularly available through State or federal programs or through private or employer-sponsored health insurance plans;

(2) Develop guidelines for case management services, quality assurance measures, and periodic evaluations to determine efficacy of health services provided to special needs children;

(3) Develop and coordinate an outreach program of case managers to assist children with special health care needs and their families in accessing available State and federal resources for all health care services;

(4) Review rules adopted by the Commission for Health Services pertaining to the provision of services for special needs children and make recommendations for modifications or additions to the rules necessary to improve services to these children or to make service delivery more efficient and effective;

(5) Review policies and practices of the Department of Health and Human Services and recommend to the Secretary of Health and Human Services changes that would improve implementation of health programs for children with special health care needs;

(6) Report to each session of the General Assembly not later than the first day of its convening. The report shall include a summary of the Commission's work and any recommendations the Commission may have on ways to improve the efficiency and effectiveness of health services delivery to children with special health care needs in this State, The Commission shall provide a copy of its report to the General Assembly's Commission on Children With Special Needs;

(7) Study the feasibility of establishing a privately funded risk pool to provide insurance coverage and services for children with special health care needs;

(8) Make recommendations to the Department and to the Commission for Health Services regarding quality assurance measures and

mechanisms to enhance the health outcomes of children with special health care needs;

(9) Establish subcommittees as necessary to provide assistance and advice to the Commission in conducting its studies and other activities. The Commission may appoint non-Commission members to the subcommittees;

(10) Seek grants and other funds from private and federal sources to carry out the purposes of this Article; and

(11) Conduct other activities the Commission deems appropriate and necessary to carry out the purposes of this Article.

"**§ 143-684. Compensation and expenses of Commission members; travel reimbursements.**

Members of the Commission shall serve without compensation but may receive travel and subsistence as follows:

(1) Commission members who are officials or employees of a State agency or unit of local government, in accordance with G.S. 138-6.

(2) All other Commission members at the rate established in G.S. 138-5."

(b) The governor shall appoint members of the Commission on Children With Special Health Care Needs within 45 days of the date this act becomes law.

Section 4. (a) Article 3 of Chapter 135 of the General Statutes is amended by adding the following new Part to read:

"Part 5. Health Insurance Program for Children.

"**§ 135-42. Undertaking.**

(a) The State of North Carolina undertakes to make available a health insurance program for children (hereinafter called the `Program') to provide comprehensive acute medical care to low-income, uninsured children who are residents of this State and who meet the eligibility requirements established for the Program under Part 8 of Article 2 of Chapter 108A of the General Statutes. The Executive Administrator and Board of Trustees of the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan (hereinafter called the `Plan') shall administer the Program under this Part and shall carry out their duties and responsibilities in accordance with Parts 2 and 3 of this Article and with applicable provisions of Part 8 of Article 2 of Chapter 108A. The Plan's self-insured indemnity program shall not incur any financial obligations for the Program in excess of the amount of funds that the Plan's self-insured indemnity program receives for the Program.

(b) The benefits provided under the Program shall be equivalent to and made available through the Plan pursuant to Articles 2 and 3 of this Chapter and as provided under G.S. 108A-70.21(b) and administered by the Plan's Executive Administrator and Board of Trustees. To the extent there is a conflict between the provisions of Part 8 of Article 2 of Chapter 108A and Part 3 of this Article pertaining to eligibility, fees, deductibles, copayments, and other cost-sharing charges, the provisions of Part 8 of Article 2 of Chapter 108A shall control. In administering the benefits provided by this Part, the Executive Administrator and Board of Trustees shall have the same type of powers and duties that are provided under Part 3 of this Article for hospital and medical benefits.

(c) The benefits authorized by this Part are available only to children who are residents of this State and who meet the eligibility requirements established for the Program under Part 8 of Article 2 of Chapter 108A of the General Statutes.

"**§ 135-42.1. Right to alter, amend, or repeal.**

The General Assembly reserves the right to alter, amend, or repeal this Part."

(b) G.S. 135-38(c) reads as rewritten:

"(c) The Committee shall review programs of hospital, medical and related care provided by Part 3 and Part 5 of this Article and programs of long-term care benefits provided by Part 4 of this Article as recommended by the Executive Administrator and Board of Trustees of the Plan. The Executive Administrator and the Board of Trustees shall provide the Committee with any information or assistance requested by the Committee in performing its duties under this Article. The Committee shall meet not less than once each quarter to review the actions of the Executive Administrator and Board of Trustees. At each meeting, the Executive Administrator shall report to the Committee on any administrative and medical policies which have been issued as rules and regulations in accordance with G.S. 135-39.8, and on any benefit denials, resulting from the policies, which have been appealed to the Board of Trustees."

(c) G.S. 135-39.5 is amended by adding a new subdivision to read:

"(23) Implementing and administering a program of child health insurance benefits pursuant to Part 5 of this Article."

(d) G.S. 135-39.6 is amended by adding the following subsection to read:

"(d) Separate and apart from the special funds authorized by subsections (a), (b), and (c) of this section, there shall be a Child Health Insurance Fund. All premium receipts or any other receipts, including earnings on investments, occurring or arising in connection with acute medical care benefits provided under the Health Insurance Program for Children shall be deposited into the Child Health Insurance Fund. Disbursements from the Child Health Insurance Fund shall include any and all amounts required to pay the benefits and administrative costs of the Health Insurance Program for Children as may be determined by the Executive Administrator and Board of Trustees."

(e) G.S. 135-39.6A is amended by adding the following subsection to read:

"(c) The Executive Administrator and Board of Trustees shall establish premium rates for benefits provided under Part 5 of this Article. The Department of Health and Human Services shall, from State and federal appropriations and from any other funds made available for the Health Insurance Program for Children established under Part 8 of Article 2 of Chapter 108A of the General Statutes, make payments to the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan as determined by the Plan for its administration, claims processing, and other services authorized to provide coverage for acute medical care for children eligible for benefits provided under Part 5 of this Article."

(f) G.S. 135-39.8 reads as rewritten:

"**§ 135-39.8. Rules and regulations.**

The Executive Administrator and Board of Trustees may issue rules and regulations to implement Parts ~~2, 3, and 4~~ 2, 3, 4, and 5 of this Article. Rules and regulations of the Board of Trustees shall remain in effect until amended or repealed by the Executive Administrator and Board of Trustees. The Executive Administrator and Board of Trustees shall provide a written description of the rules and regulations issued under this section to all employing units, all health benefit representatives, the oversight team provided for in G.S. 135-39.3, all relevant health care providers affected by a rule or regulation, and to any other parties requesting a written description and approved by the Executive Administrator and Board of Trustees to receive a description on a timely basis."

(g) The title of Chapter 135 of the General Statutes reads as rewritten:

"Retirement System for Teachers and State Employees; Social ~~Security~~ Security; Health Insurance Program for Children ."

(h) The title of Article 3 of Chapter 135 of the General Statutes reads as rewritten:

"Other Teacher, Employee ~~Benefits~~ Benefits;
Child Health Benefits."

Section 5. (a) Division II of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"**§ 105-151.27. Credit for child health insurance.**

(a) Credit. -- Subject to the limitations provided in this section, a taxpayer is allowed a credit against the tax imposed by this Division if the taxpayer paid a health insurance premium during the taxable year that provided insurance coverage for the taxpayer's dependent children. The amount of the credit is the amount provided in the table below that corresponds to the taxpayer's adjusted gross income, as a percentage of the applicable federal poverty level (FPL), as defined in G.S. 108A-70.18, based on the taxpayer's family size.

AGI as % of FPL	Credit Amount
0 - 225	$300
Over 225	$100

(b) Income Limitation. -- To be eligible for the credit allowed under this section, the taxpayer's adjusted gross income (AGI), as calculated under the Code, must be less than the amount listed in the table below:

Filing Status	AGI
Married, filing jointly	$100,000
Head of Household	80,000
Single	60,000
Married, filing separately	50,000

(c) Credit Limitations. -- The credit allowed by this section may not exceed the amount of health insurance premium the taxpayer paid during the taxable year that provided insurance coverage for the taxpayer's dependent children. A nonresident or part-year resident who claims the credit allowed by this section shall reduce the amount of the credit by multiplying it by the fraction calculated under G.S. 105-134.5(b) or (c), as appropriate. In order to claim a credit under this section, a taxpayer must provide any information required by the Secretary to establish the taxpayer's eligibility for the credit and the amount of the credit.

(d) No Double Benefit. -- If the taxpayer claimed a deduction for health insurance costs of self-employed individuals under section 162(l) of the Code for the taxable year, the amount of credit otherwise allowed the taxpayer under this section is reduced by the applicable percentage provided in section 162(l) of the Code. If the taxpayer claimed a deduction for medical care expenses under section 213 of the Code for the taxable year, the taxpayer is not allowed a credit under this section. A taxpayer who claims the credit allowed by this section must provide any information required by the Secretary to demonstrate that the amount paid for premiums for which the credit is claimed was not excluded from the taxpayer's gross income for the taxable year.

(e) Credit Refundable. -- If the credit allowed by this section exceeds the amount of tax imposed by this Division for the taxable year reduced by the sum of all credits allowable, the Secretary shall refund the excess to the taxpayer. The refundable excess is governed by the provisions governing a refund of an overpayment by the taxpayer of the tax imposed in this Division. In computing the amount of tax against which multiple credits are allowed, nonrefundable credits are subtracted before refundable credits.

(f) Definitions. -- The following definitions apply in this section:

(1) Comprehensive health insurance plan. -- Any of the following plans, policies, or contracts that provide health benefits coverage for dependent children for inpatient and outpatient hospital

services, physicians' surgical and medical services, and laboratory and X-ray services: accident and health insurance policy or certificate; hospital or medical service corporation contract; HMO subscriber contract; plan provided by a MEWA or plan provided by another benefit arrangement, to the extent permitted by ERISA, and the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan established under Part 3 of Article 3 of Chapter 135 of the General Statutes. `Comprehensive health insurance plan' does not mean any plan implemented or administered through the Department of Health and Human Services.

(2) Dependent child. -- A child under the age of 19 for whom the taxpayer is allowed to deduct a personal exemption under section 151(c)(1)(B) of the Code for the taxable year.

(3) Family size. -- The number of individuals for whom the taxpayer is entitled to deduct a personal exemption under the Code for the taxable year.

(4) Health insurance premium. -- An amount paid by the taxpayer for insurance coverage of the taxpayer's dependent children under a private or employer-sponsored comprehensive health insurance plan and an amount paid to purchase extended coverage under the Health Insurance Program for Children pursuant to G.S. 108A-70.21. The term does not include, however, amounts deducted from or not included in the taxpayer's gross income for the taxable year, as calculated in subsection (d) of this section."

(b) G.S. 105-160.3(b) is amended by adding a new subdivision to read:

"(4) G.S. 105-151.27. Credit for child health insurance."

(c) The Department of Revenue shall withhold from collections under Division II of Article 4 of Chapter 105 of the General Statutes for the 1999-2000 fiscal year the amount necessary to reimburse it for its additional costs of printing, postage, programming, and administration directly attributable to this act. It is the intent of the General Assembly to appropriate funds to the Department of Revenue for the 1999-2001 fiscal biennium to cover the costs of auditing ten percent (10%) of the tax credits claimed under this section. These costs include salary, benefits, and work space for 10 auditors and two clerical support positions. It is also the intent of the General Assembly to appropriate funds to the Department of Revenue for the 1999-2000 fiscal year for the one-time programming costs required for the credit authorized by this section.

(d) This section is effective for taxable years beginning on or after January 1, 1999, and expires on the effective date of an act repealing the Health Insurance Program for Children established under this act.

(e) This section becomes effective only if the United States Secretary of Health and Human Services approves the State Plan to implement the Health Insurance Program for Children established under this act.

Section 6. G.S. 143-626(2) reads as rewritten:

"(2) Accept applications by carriers to qualify as Accountable Health Carriers, determine the eligibility of carriers to become Accountable Health Carriers according to criteria described in G.S. 143-629, designate carriers as Accountable Health Carriers, approve one additional qualified health care plan to be offered to small employers beyond the basic and standard health care

plans, and approve programs that provide options for the purchase of private insurance for dependent coverage that meets the requirements of the Health Insurance Program for Children established under Part 8 of Article 2 of Chapter 108A of the General Statutes and Title XXI of the Social Security Act. The Board shall report programs approved to the Joint Legislative Health Care Oversight Committee established under G.S. 120-70.110."

Section 7. In order to ensure that health insurance coverage provided to children from public funds is not duplicative of coverage provided to the same children pursuant to court orders for medical support or health insurance, the Department of Health and Human Services shall develop a plan for collecting and retrieving data to enable the Department to readily identify children covered by support orders and also covered under private health insurance, or eligible for coverage under the State Medicaid Program or the Health Insurance Program for Children established in this act. No later than October 1, 1998, the Department shall report on the development of this plan to the Joint Legislative Health Care Oversight Committee.

Section 8. Except for immunization, no State funds, federal funds, or funds from any other source may be used under the Health Insurance Program for Children established under this act to reimburse medical services performed in school-based health clinic settings. The Executive Administrator and Board of Trustees of the Teachers' and State Employees' Comprehensive Major Medical Plan shall conduct a survey of any claims paid by the Plan's self-insured indemnity program during each of the last three plan years. Any results of the survey shall be used by the Plan in conducting a study of the array of medical services delivered in school-based settings and whether or not such services should be eliminated, curtailed, or expanded. No later than March 31, 1999, the Plan shall make its findings and recommendations pursuant to this study known to the Committee on Employee Hospital and Medical Benefits, the Joint Legislative Health Care Oversight Committee, and the 1999 Session of the General Assembly.

Section 9. Not later than September 1, 1998, the Department of Health and Human Services shall select a name for the Health Insurance Program for Children established under this act. The Department shall establish procedures for public input into the selection of the name of the Program. Prior to final selection of the Program name by the Department, the Department shall report to the Joint Legislative Health Care Oversight Committee the results of the public input solicited by the Department and the name selected by the Department.

Section 10. (a) There is appropriated from the General Fund to the Department of Health and Human Services the sum of fifteen million six hundred seventeen thousand eight hundred twenty-two dollars ($15,617,822) for the 1998-99 fiscal year to be used for the Health Insurance Program for Children established under this act and under Title XXI of the Social Security Act, as added by Pub. L. 105-33, 111 Stat. 552. The Office of State Budget and Management shall include in the proposed continuation budget the amount of State funds necessary for Program implementation for the budgeted fiscal year but not more than the amount necessary to draw down the maximum amount of federal funds available to the State for the budgeted fiscal year for the Health Insurance Program for Children under Title XXI of the Social Security Act, as added by Pub. L. 105-33, 111 Stat. 552.

(b) Of the funds appropriated under subsection (a) of this section, the Department of Health and Human Services may use up to two million dollars

($2,000,000) for the 1998-99 fiscal year to cover unmatched start-up costs for the Health Insurance Program for Children established under this act.

(c) No State funds appropriated under this act may be expended for any purpose other than as provided under this act for the implementation of the Health Insurance Program for Children established under this act and approved by the United States Secretary of Health and Human Services under Title XXI of the Social Security Act, as added by Pub. L. 105-33, 111 Stat. 552.

(d) Funds appropriated under this section and not expended or obligated in the 1998-99 fiscal year shall revert to the General Fund on June 30, 1999.

Section 11. Section 10 of this act becomes effective July 1, 1998. Health insurance coverage provided to children under the Health Insurance Program for Children established under this act shall become effective no earlier than October 1, 1998. The remainder of this act is effective when it becomes law. Since the Health Insurance Program for Children established in this act is dependent upon federal funds, it is the intent of the General Assembly that the Health Insurance Program for Children will continue and benefits will be paid for so long as federal funds are available and State funds are specifically appropriated for this purpose.

On motion of Senator Rand, the Conference Report is adopted (45-1) and a message is ordered sent to the House of Representatives informing that Honorable Body of such action. On further motion of Senator Rand, upon ratification, the bill will be sent to the Governor by Special Messenger.

INTRODUCTION OF JOINT RESOLUTION

Senator Rand submits a joint resolution to the Senate which is read the first time, and disposed of, as follows:

By Senator Rand:

S.J.R. 3, A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE 1998 EXTRA SESSION.

On motion of Senator Rand, the rules are suspended without objection and the joint resolution is placed before the Senate for immediate consideration upon its passage.

The joint resolution passes its second (46-0) and third readings and is ordered sent to the House by Special Messenger.

PERSONAL PRIVILEGE

The President of the Senate recognizes Senator Basnight, President *Pro Tempore*, for a point of personal privilege.

"Thank you, Mr. President. First, I'd like to bring to your attention by noting today that we're honored to have in our gathering a very prize of a winner, and not just any prize - The University of North Carolina Medical School's Distinguished Service Award. It is appropriate on this day that we adopt a bill to provide health insurance to children, that we also at the same time applaud one of ours, Dr. William Purcell, a man who has worked his whole professional life taking care of children. Congratulations, Dr. Purcell."

On motion of Senator Basnight, seconded by Senator Purcell, the Senate adjourns at 5:06 P.M. to meet tomorrow, Thursday, April 30, at 9:00 A.M.

TWENTY-SECOND DAY

Senate Chamber
Thursday, April 30, 1998

The Senate meets pursuant to adjournment and is called to order by Janet Pruitt, Principal Clerk of the Senate.

Prayer is offered by the Honorable Jeanne Lucas, Senator from Durham County, as follows:

"Father, You have said that, 'They that wait on You, shall renew their strength, they shall mount up on wings of an eagle, they shall run and not be weary, they shall walk and not faint.'

"Thanks for giving us the strength to wait out this tug-of-war to give children health insurance, especially those children of the low-income, uninsured.

"Thanks for allowing us to walk these halls and not get weary in our efforts to provide for the least of these.

"Bless the staff members of the Department of Social Services who will search out the children to provide services to build healthy lives so that these children may have productive lives.

"Thanks for giving us the power to make a difference in the lives of others. Amen."

Senator Warren announces the Journal of yesterday, Wednesday, April 29, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

With unanimous consent, on motion of Senator Reeves, the Senate recesses at 9:04 A.M. to reconvene at 9:45 A.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 2 House of Representatives
April 30, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House has adopted the report of the Conferees on Conference Committee Substitute for SB 2, A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE HEALTH INSURANCE PROGRAM FOR CHILDREN AND TO AUTHORIZE A TAX CREDIT FOR CERTAIN PURCHASERS OF DEPENDENT HEALTH INSURANCE. Pursuant

to your message that your Honorable Body has adopted the report of the Conferees, you may order the bill enrolled.

Respectfully,
S/Denise Weeks
Principal Clerk

The President of the Senate orders the bill enrolled and sent to the Governor by Special Messenger.

ENROLLED BILLS

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 2, AN ACT TO ESTABLISH THE HEALTH INSURANCE PROGRAM FOR CHILDREN AND TO AUTHORIZE A TAX CREDIT FOR CERTAIN PURCHASERS OF DEPENDENT HEALTH INSURANCE.

The Enrolling Clerk reports the following resolution duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.J.R. 3, A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE 1998 EXTRA SESSION. (Res. 1)

There being no further business to come before the Senate, the President orders a message sent to the House of Representatives informing that Honorable Body that the Senate has concluded the business for which it was convened into Extra Session by Proclamation of the Governor and stands ready to adjourn this Extra Session of the 1997 General Assembly, *sine die*.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 3

House of Representatives
April 30, 1998

Mr. President:

It is ordered that a message be sent Your Honorable Body respectfully advising that in accordance with S.J.R. 3, A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE 1998 EXTRA SESSION, the 1998 Extra Session of the House of Representatives has concluded the public business before it and stands ready to adjourn.

Upon receipt of a message from your Honorable Body that the Senate is ready to open its doors, the doors of the House shall be open to the end that the gavels may fall simultaneously and adjournment may be declared sine die.

Respectfully,
S/Denise G. Weeks
Principal Clerk

Senator Reeves offers a motion, seconded by Senator Dalton, that the Senate of the 1997 General Assembly, sitting in Extra Session do now adjourn, *sine die*.

Pursuant to the message that the House of Representatives has concluded the business before it and having notified that Honorable Body that the Senate has concluded the business before it, the President of the Senate declares that the Senate stands ready for adjournment, *sine die*. The President orders the doors of the Senate opened.

The motion heretofore offered by Senator Reeves, seconded by Senator Dalton, prevails. The hour for adjournment *sine die* as fixed by Resolution 1 having arrived, the President of the Senate, Lieutenant Governor Dennis A. Wicker, declares the Senate of the 1997 General Assembly sitting in Extra Session, 1998, adjourned at 10:33 A.M., *sine die*.

DENNIS A. WICKER
President of the Senate

JANET B. PRUITT
Principal Clerk of the Senate

ADDENDUM

SENATE JOURNAL

1997 SESSION

EXTRA SESSION

1998

ADDENDUM

SENATE JOURNAL

1997 SESSION

EXTRA SESSION

1998

ADDENDUM

CHAPTERED BILL

The following bill was properly enrolled, assigned the following Chapter Number, and presented to the Office of the Secretary of State after the 1998 Extra Session adjourned on April 30:

S.B. 2 AN ACT TO ESTABLISH THE HEALTH INSURANCE PROGRAM FOR CHILDREN AND TO AUTHORIZE A TAX CREDIT FOR CERTAIN PURCHASERS OF DEPENDENT HEALTH INSURANCE. (Became law upon approval of the Governor, May 7, 1998 - S.L. 1998-1 Extra Session.)

EDITOR'S NOTES

A bill and a resolution passed second reading and were read a third time on the same day.

Rule 50 states:

> No bill on its third reading shall be acted upon out of the regular order in which it stands on the calendar, and no bill shall be acted upon on its third reading the same day on which it passed its second reading, unless so ordered by two-thirds of the membership of the Senate present and voting.

In order to comply with this Rule, no bill which has passed its second reading is read a third time except:

(1) when a member moves that the Rule be suspended and this motion prevails by at least a two-thirds vote of the membership of the Senate present and voting, or

(2) when the Chair determines that there is no objection from any member present, which constitutes unanimous consent that Rule 50 be suspended.

In these cases, the bill is read a third time and remains before the Senate for further consideration.

The numerical figures which appear within parentheses throughout the Senate Journal represent the affirmative and negative votes cast and recorded electronically, pursuant to Rule 25. Copies of the vote print-out are on file in the Legislative Library and the original is deposited in the Division of Archives and History of the Department of Cultural Resources.

SENATE DISTRICTS

A complete listing of the North Carolina Senatorial Districts can be found in the Addendum of the 1997 *Senate Journal, Second Session, 1998.*

STANDING COMMITTEES

The Chairmen, Vice-Chairmen, Ranking Minority Members, and Members of the Standing Committees appointed to serve for the First Regular Session of the 1997 General Assembly were announced as appointed to serve for the 1998 Extra Session. A complete listing can be found on Page 2032 of the *Senate Journal, First Session 1997.*

Janet B. Pruitt
Principal Clerk

APPENDIX

SENATE JOURNAL

1997 SESSION

EXTRA SESSION

1998

SENATE STAFF

OFFICE OF THE PRESIDENT

Lieutenant Governor	Dennis A. Wicker
Chief of Staff	Kaye L. Gattis
Directors	
Communications	Robert D. Phillips
Policy/Research/Constituent	Ssycret Jackson
Scheduling	Maggie Pollock
Executive Assistant	Greta L. Rogers
Senior Policy Advisor	Zee Lamb
Special Assistant/Office Affairs	Shirley Fowler
Security	Sgt. Tim Bolduc
	Trp. Andrew Haswell

OFFICE OF THE PRESIDENT *PRO TEMPORE*

President *Pro Tempore*	Marc Basnight
General Counsel/Liaison	Norma Mills
Communications Director	Julia White
Director of Research	Rolf Blizzard
Executive Assistant	Angela Talton
Special Assistants	
Legislative Affairs	Kyle Armentrout
Citizen Affairs	Mary King
Page Program	
Coordinator	Cindy Garrison
Supervisor	Tonita Stephenson

OFFICE OF THE DEPUTY PRESIDENT *PRO TEMPORE*

Deputy President *Pro Tempore*	Frank W. Ballance, Jr.
Administrative Assistant	Irma Avent

OFFICE OF THE PRINCIPAL CLERK

Principal Clerk	Janet B. Pruitt
Administrative Clerks	Mona R. Fitzgerald
	Tracie L. Jernigan
Calendar Clerk	Linda Stephenson
Assistant Calendar Clerk	Elaine Tant
Journal Clerk	Sonia B. Wiggins
Assistant Journal Clerks	Beverly H. Allen
	Andrew Ballen
	Betty Morris Bridger
	Rennie Hobby

READING CLERK LeRoy Clark, Jr.

OFFICE OF THE SERGEANT-AT-ARMS

Sergeant-at-Arms	Cecil Goins	
Deputy/Secretary	Martha Dunn	
Assistants	James Blount	Mary Perry
	Collis Brown	Hubert Poole
	Michael Houser	Phil Riley
	Stanley Johnson	George Robinson
	Archie McMillan	Ronald Spann
	Charles Marsalis	Leslie Wright

COMMITTEE CLERKS/SECRETARIES

Supervisor Dot Waugaman

Name	Senator	Clerk of Committee
Avent, Irma	Ballance	Deputy President *Pro Tempore*
Beason, Janet	Dalton	
Birdsong, Julia	Albertson	Agriculture/Environment/Natural Res.
Blackwood, Gerry	Horton	
Blake, Lorraine	Purcell	
Bowles, Gerry	Phillips	
Brothers, Nancy	Carpenter	
Caldwell, Wilma	Warren	Appropriations on General Government
Canady, Anne	Perdue	Appropriations
Cooke, Kathy		Office of Supervisor - substitute
Costello, Evelyn	Rand	Rules & Operations of the Senate
Critcher, Blanche	Soles	Commerce
David-Yerumo, Bernie	Lucas	Majority Caucus Secretary; Children & Human Resources
Davis, Kathy	Carrington	
DeWitt, Sheila	Shaw of Guilford	Minority Leader
Drew, Frances	Wellons	
Eldridge, Barbara	Page	
Funderburk, Elaine	Blust	
Garrison, Cindy		Office of Supervisor, Page Coordinator
Gooden, Carolyn	Martin of Pitt	Appropriations on Natural and Economic Resources
Halifax, Peggy	Ledbetter	
Hartsell, Evelyn	Kerr	Finance
Haynes, Katy	Jenkins	Pensions & Retirement/Insurance
Haywood, Gloria	Jordan	Appropriations on Transportation
Hedspeth, Becky	Reeves	
Hill, JoAnne	Shaw of Cumberland	Transportation
Hines, Linda	Clark	
Hodge, Dee	Dannelly	Ways & Means
Hogan, Peggy Anne	Ballantine	
Honeycutt, Carolyn	Hoyle	Finance
Jacobi, Marianne	Horton	
Johnson, Betty	Allran	
Johnson, Gerry	Hartsell	
Jordan, Martha	Garwood	
Joyner Wanda	McDaniel	

King, Margaret	Webster	
King, Mary	Basnight	President *Pro Tempore*
Leatherman, Joan	Soles	Majority Caucus Chair; Commerce
McMillan, Cornelia	Miller	State Gov't., Local Gov't., and Personnel
Misner, Pat	Plyler	Appropriations
Mitchell, Connie	Plyler	Appropriations
Moore, Susan	Cooper	Majority Leader; Judiciary
Murphy, Sarah	Rand	Rules & Operations of the Senate
Nickerson, Janet		Office of Supervisor - substitute
Parrish, Claudette		Office of Supervisor, Assistant
Porter, Phyllis	Cochrane	
Pulley, Nancy	East	
Resar, Carol	Gulley	Appropriations on Justice & Public Safety
Soles, Anne	Foxx	
Spears, Vickie	Winner	Majority Whip; Appropriations on Education/Higher Ed.; Education/Higher Education
Strickland, Amy	Moore	
Stephenson, Tonita		Office of Supervisor, Page Supervisor
Stoddard, Betty	Lee	Appropriations on Eduction/Higher Ed.
Talton, Angela	Basnight	President *Pro Tempore*
Taylor, Mary Lee	Weinstein	
Thompson, Lucille	Cooper	Office of Majority Leader
Walker, Carole	Rucho	
Watson, Mary	Forrester	
Williams, Penny	Hoyle	Finance
Wilson, Anne	Odom	Base Budget
Woodlief, Meredith	Martin of Guilford	Appropriations on Human Resources
Young, Kathie	Kinnaird	

RESOLUTIONS FROM OTHER STATES

Regular Session, 1997

HOUSE RESOLUTION NO. 120

BY REPRESENTATIVE WRIGHT

STATE OF LOUISIANA
A RESOLUTION

To urge and request the Congress of the United States to propose an amendment to the Constitution of the United States for ratification, for submission to the states, to provide for election of members of the federal judiciary.

ORIGINATED
IN THE
House of Representatives

ENROLLED

WHEREAS, a common complaint that the public makes about federal district judges is that they are not accountable to the people because of this life tenure; and

WHEREAS, this public complaint continues that these judges, because of their insulation and isolation after a certain length of time in office, lose touch with the problems facing and feelings of the majority of the American people; and

WHEREAS, state district, appellate, and supreme court justices in Louisiana have specific limited terms of office, as do other inferior federal courts, such as bankruptcy judges whose term is fourteen years; and

WHEREAS, this constitutional amendment would not give the people the right to vote for a federal judge, but only the right to voice their opinion on whether the appointment of federal district judges should be for a limited term short of life tenure; and

WHEREAS, the system appears to still maintain an independent judiciary uninfluenced by undue public pressure in the inferior federal courts in which judges are not granted life tenure; and

WHEREAS, Article V of the Constitution of the United States provides that an amendment to the constitution may be proposed by congress which shall become part of the constitution when ratified by three-fourths of the several states.

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby urge and request the Congress of the United States to propose an amendment to the Constitution of the United States, for submission to the states for ratification, to provide for election of members of the federal judiciary .

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted by the secretary of state to the president and the secretary of the United States Senate, to the speaker and clerk of the United States House of Representatives, to each member of this state's delegation to the congress and to the presiding officer of each house of each state legislature in the United States.

s/ Hunt Downer
SPEAKER OF THE HOUSE OF REPRESENTATIVES

RESOLUTION No. 1
S.F. No. 22
1997 Third Special Session

STATE OF MINNESOTA
A RESOLUTION

memorializing Congress to support legislative initiatives to discourage use of public resources for movement of professional sports franchises and to repeal antitrust exemptions for professional sports.

WHEREAS, professional sports can play an important role in the social and cultural atmosphere of a community; and

WHEREAS, various communities seek to have professional sports franchises; and

WHEREAS, the use of public resources to encourage professional sports franchises to relocate from one community to another is a form of counterproductive economic competition that produces overall detriment to all states, while providing potential unjust enrichment to the owners of these franchises; and

WHEREAS, community ownership of professional sports franchises have the potential to maximize the social, cultural, and economic advantages of sports franchises to a community, while minimizing threats of relocation that result in counterproductive economic competition; and

WHEREAS, certain professional sports leagues and associations have adopted policies that prohibit or restrict communtiy ownership of professional sports franchises; and

WHEREAS, federal laws and policies, such as exemption from antitrust laws, contribute to economic inefficiency and to wasteful use of public resources; NOW, THEREFORE,

BE IT RESOLVED by the Legislature of the State of Minnesota that it strongly urges the Minnesota congressional delegation to support legislative efforts in Congress that will:

(1) discourage movement of professional sports franchises, including prohibiting the use of public resources in connection with this movement;

(2) prohibit professional sports leagues from forbidding community ownership of professional sports franchises;

(3) tax benefits that are provided by the public to professional sports franchises; and

(4) repeal antitrust exemptions for professional sports.

BE IT FURTHER RESOLVED by the Legislature of the State of Minnesota that it strongly urges the governors and legislatures in the other states to promulgate this message.

BE IT FURTHER RESOLVED that the Secretary of State of the State of Minnesota is directed to prepare copies of this memorial and transmit them to the President and the Secretary of the United States Senate, the Speaker and the Clerk of the United States House of Representatives, the governors and the presiding officers of both houses of the legislatures of each of the other states of the Union, and Minnesota's Senators and Representatives in Congress.

This resolution was passed in conformity to the rules of each house and the joint rules of the two houses as required by the Constitution of the State of Minnesota.

s/ Allan H. Spear
President of the Senate

s/ Philip C. Carruthers
Speaker of the House of Representatives.

RESOLUTION No. 1
S.F. No. 22
1997 Third Special Session

Passed the Senate on October 28, 1997.

s/ Patrick E. Flahaven
Secretary of the Senate

Passed the House of Representatives on October 28, 1997.

s/ Edward A. Burdick
Chief Clerk, House of Representatives

This resolution is properly enrolled and was presented to the Governor on November 3, 1997.

s/ Harry M. Walsh
Revisor of Statutes.

Approved on _____, 1997, at _____ ___.M.

Arne H. Carlson
Governor.

Filed on November 5, 1997.

s/ Joan Anderson Growe
Secretary of State.

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S 2 RITE Care (S.L. 1998-1 Extra Session)..... 9, 10, 14, 15, 18, 19, 30, 31, 51.
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S 2 RITE Care (S.L. 1998-1 Extra Session) ..... 9, 10, 14, 15, 18, 19, 30, 31, 51.
S 3 Adjournment (Sine Die) (Res. 1) ..... 49, 51, 52.

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1 S 2 ..... 51.

RATIFIED JOINT RESOLUTION

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1 S.J.R. 3 ..... 51, 52.

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Senate Resolution Adopted

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ALBERTSON, Senator Charles W. ..... 5th District—**Duplin**, Jones (part), Onslow (part), Pender (part), Sampson (part).
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

ALEXANDER COUNTY—District 27—Senator John A. Garwood
Senator Kenneth R. Moore

ALLEGHANY COUNTY—District 12—Senator Don W. East
Senator Virginia Foxx

ALLRAN, Senator Austin M. ..... 26th District—**Catawba**, Lincoln (part).
Absent of Leave ..... 19.
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... (None).

ANSON COUNTY—District 17—Senator Aaron W. Plyler
Senator William R. Purcell

ASHE COUNTY—District 12—Senator Don W. East
Senator Virginia Foxx

AVERY COUNTY—District 27—Senator John A. Garwood
Senator Kenneth R. Moore

BALLANCE, Senator Frank W., Jr. ..... 2nd District—Bertie (part), Gates, Halifax (part), Hertford, Northampton, Vance (part), **Warren**.
Absent of Leave ..... 15, 24.
Adjournment Motion ..... 21, 22, 23, 25.
Adjournment Motion Second ..... 12.

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Committee Assignments—
Conference ..... 14, 31.
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

BALLANTINE, Senator Patrick J. ..... 4th District—Carteret (part), **New Hanover** (part), Onslow (part), Pender (part).
Absent of Leave ..... 16, 17.
Committee Assignments—
Standing ..... 8.
Vote—
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Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... (None).

BASNIGHT, Senator Marc ..... 1st District—Beaufort (part), Bertie (part), Camden, Chowan, Currituck, **Dare**, Hyde, Pasquotank, Perquimans, Tyrrell, Washington (part).
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Adjournment Motion ..... 12, 13, 15, 16, 17, 18, 19, 20, 27, 48.
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Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

BEAUFORT COUNTY—District 1—Senator Marc Basnight
District 9—Senator Ed N. Warren

BERTIE COUNTY—District 1—Senator Marc Basnight
District 2—Senator Frank W. Ballance, Jr.

BLADEN COUNTY—District 18—Senator R. C. Soles, Jr.
District 30—Senator David Weinstein

BLUST, Senator John M. ..... 32nd District—**Guilford** (part).
Committee Assignments—

BLUST, Senator John M. (continued)
Committee Assignments—(continued)
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... (None).

BRUNSWICK COUNTY—District 18—Senator R. C. Soles, Jr.

BUNCOMBE COUNTY—District 28—Senator R L Clark
Senator Jesse I. Ledbetter
District 42—Senator Robert C. Carpenter

BURKE COUNTY—District 27— Senator John A. Garwood
Senator Kenneth R. Moore
District 28— Senator R L Clark
Senator Jesse I. Ledbetter

CABARRUS COUNTY—District 22—Senator Fletcher L. Hartsell, Jr.

CALDWELL COUNTY—District 27—Senator John A. Garwood
Senator Kenneth R. Moore

CAMDEN COUNTY—District 1—Senator Marc Basnight

CARPENTER, Senator Robert C. .....42nd District—Buncombe (part), Cherokee, Clay, Graham, Haywood (part), Henderson (part), Jackson (part), **Macon** (part), Polk, Transylvania (part).
Absent of Leave ..... 13, 22.
Committee Assignments—
Standing ..... 8.
Vote—
Paired S 2 (Concurrence House Committee Substitute) ..... 14.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... (None).

CARRINGTON, Senator John H. .....36th District—**Wake** (part).
Absent of Leave ..... 14, 16.
Committee Assignments—
Standing ..... 8.
Vote—
Paired S 2 (Concurrence House Committee Substitute) ..... 14.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

CARTERET COUNTY—District 3—Senator Beverly Eaves Perdue
District 4—Senator Patrick J. Ballantine

CASWELL COUNTY—District 21—Senator Hugh Webster

CATAWBA COUNTY—District 26—Senator Austin M. Allran

CHAPLAIN, The Reverend Mike Morris—(See Prayers.)

CHATHAM COUNTY—District 16—Senator Eleanor Kinnaird
Senator Howard N. Lee

CHEROKEE COUNTY—District 42—Senator Robert C. Carpenter

CHILDREN'S HEALTH INSURANCE PROGRAM
S 2 Child Health Insurance (S.L. 1998-1)..... 9, 10, 14, 15, 18, 19, 30, 50.

CHOWAN COUNTY—District 1—Senator Marc Basnight

CLARK, LEROY (See Reading Clerk.)

CLARK, Senator R L ..... 28th District—**Buncombe** (part), Burke (part), Madison, McDowell, Yancey.
Absent of Leave..... 19, 23, 25.
Adjournment Motion Second ..... 18.
Committee Assignments—
Standing..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor..... (None).

CLAY COUNTY—District 42—Senator Robert C. Carpenter

CLEVELAND COUNTY— District 25—Senator David W. Hoyle
District 37—Senator Walter Dalton

COCHRANE, Senator Betsy L......38th District—Davidson (part), **Davie**, Forsyth (part), Rowan (part).
Absent of Leave..... 20, 22.
Committee Assignments—
Standing..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor..... (None).

COLUMBUS COUNTY—District 18—Senator R. C. Soles, Jr.

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COOPER, Senator Roy A. III ..... 10th District—Edgecombe (part), Halifax (part), **Nash**, Wilson (part).
Committee Assignments—
Conference ..... 14, 31.
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

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CRAVEN COUNTY—District 3—Senator Beverly Eaves Perdue

CUMBERLAND COUNTY—District 24—Senator Tony Rand
District 30—Senator David Weinstein
District 41—Senator Larry Shaw

CURRITUCK COUNTY—District 1—Senator Marc Basnight

DALTON, Senator Walter ..... 37th District—Cleveland (part), **Rutherford**.
Absent of Leave ..... 15.
Adjournment Motion Second ..... 51.
Committee Assignments—
Standing ..... 8.

DALTON, Senator Walter (continued)
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

DANNELLY, Senator Charlie Smith ..... 33rd District—**Mecklenburg** (part).
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

DARE COUNTY—District 1—Senator Marc Basnight

DAVIDSON COUNTY—District 19—Senator Robert G. Shaw
District 23—Senator Jim W. Phillips, Sr.
District 38—Senator Betsy L. Cochrane

DAVIE COUNTY—District 38—Senator Betsy L. Cochrane

DOCTOR/NURSE OF THE DAY
Doctors ..... (None).
Nurses—
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Capers, Debbie, Fayetteville ..... 30.
Craven, Susan, Richmond County ..... 13.
Ellender, B.J., Kernersville ..... 6.
Harrison, Dorene, Cary ..... 23.
Hennesy, Ethel, Fayetteville ..... 21.
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DUPLIN COUNTY—District 5—Senator Charles W. Albertson

DURHAM COUNTY—District 13—Senator Wilbur P. Gulley
Senator Jeanne H. Lucas

EAST, Senator Don W. ..... 12th District—Alleghany, Ashe, Guilford (part), Rockingham, Stokes, **Surry**, Watauga.
Committee Assignments—

EAST, Senator Don W. (continued)
Committee Assignments—(continued)
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... (None).

EDGECOMBE COUNTY—District 6—Senator R. L. Martin
District 10—Senator Roy A. Cooper III

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FORRESTER, Senator James ..... 39th District—**Gaston** (part), Iredell (part), Lincoln (part).
Absent of Leave ..... 19.
Adjournment Motion Second ..... 15.
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

FORSYTH COUNTY—District 20—Senator Hamilton C. Horton, Jr.
Senator James Mark McDaniel
District 38—Senator Betsy L. Cochrane

FOXX, Senator Virginia ..... 12th District—Alleghany, Ashe, Guilford (part), Rockingham, Stokes, Surry, **Watauga**.
Absent of Leave ..... 23.
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... (None).

FRANKLIN COUNTY—District 11—Senator Allen H. Wellons

GARWOOD, Senator John A. ..... 27th District—Alexander, Avery, Burke (part), Caldwell, Mitchell, **Wilkes**, Yadkin.
Absent of Leave ..... 15, 19.
Committee Assignments—
Standing ..... 8.

GARWOOD, Senator John A. (continued)
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... (None).

GASTON COUNTY—District 25—Senator David W. Hoyle
District 39—Senator James Forrester

GATES COUNTY—District 2—Senator Frank W. Ballance, Jr.

GOINS, CECIL (Sergeant-at-Arms)

GOVERNOR (The Honorable James B., Jr.)
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GRAHAM COUNTY—District 42—Senator Robert C. Carpenter

GRANVILLE COUNTY—District 13—Senator Wilbur P. Gulley
Senator Jeanne H. Lucas

GREENE COUNTY—District 8—Senator John H. Kerr III

GUILFORD COUNTY—District 12—Senator Don W. East
Senator Virginia Foxx
District 19—Senator Robert G. Shaw
District 31—Senator William N. Martin
District 32—Senator John M. Blust

GULLEY, Senator Wib ..... 13th District—**Durham**, Granville, Person (part), Wake (part).
Absent of Leave ..... 16, 17, 30.
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

HALIFAX COUNTY—District 2—Senator Frank W. Ballance, Jr.
District 10—Senator Roy A. Cooper III

HARNETT COUNTY—District 15—Senator Daniel E. Page

HARTSELL, Senator Fletcher L., Jr. ..... 22nd District—**Cabarrus**, Rowan (part), Stanly (part).
Committee Assignments—
Standing ..... 8.

HARTSELL, Senator Fletcher L., Jr. (continued)
Vote—
Paired S 2 (Concurrence House Committee Substitute) ..... 14.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... (None).

HAYWOOD COUNTY—District 29—Senator Thomas K. Jenkins
District 42—Senator Robert C. Carpenter

HEALTH CARE
S 2 Child Health Insurance (S.L. 1998-1) ..... 9, 10, 14, 15, 18, 19, 30, 50.

HENDERSON COUNTY—District 29—Senator Thomas K. Jenkins
District 42—Senator Robert C. Carpenter

HERTFORD COUNTY—District 2—Senator Frank W. Ballance, Jr.

HOKE COUNTY—District 17—Senator Aaron W. Plyler
Senator William R. Purcell
—District 30—Senator David Weinstein

HORTON, Senator Hamilton C., Jr. ..... 20th District—**Forsyth** (part).
Absent of Leave ..... 13.
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... (None).

HOYLE, Senator David W. ..... 25th District—Cleveland (part), **Gaston** (part), Lincoln (part).
Absent of Leave ..... 19, 20.
Committee Assignments—
Standing ..... 8.
Vote—
Paired S 2 (Concurrence House Committee Substitute) ..... 14.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

HUNT, The Honorable James B., Jr., Governor (See Also Governor.)

HYDE COUNTY—District 1—Senator Marc Basnight

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IREDELL COUNTY—District 23—Senator Jim W. Phillips, Sr.
District 34—Senator T. L. Odom
District 39—Senator James Forrester

JACKSON COUNTY—District 29—Senator Thomas K. Jenkins
District 42—Senator Robert C. Carpenter

JENKINS, Senator Thomas K...... 29th District—Haywood (part), Henderson (part), Jackson (part), **Macon** (part), Swain, Transylvania (part).
Absent of Leave..... 30.
Committee Assignments—
Standing..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor..... (None).
Co-Sponsor..... 2.

JOHNSTON COUNTY—District 11—Senator Allen H. Wellons
District 14—Senator Brad Miller
—Senator Eric Miller Reeves

JONES COUNTY—District 5—Senator Charles W. Albertson
District 7—Senator Luther H. Jordan, Jr.

JORDAN, Senator Luther Henry, Jr. .....7th District—Jones (part), Lenoir (part), **New Hanover** (part), Onslow (part), Pender (part).
Absent of Leave..... 6.
Adjournment Motion Second ..... 25.
Committee Assignments—
Standing..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor..... (None).
Co-Sponsor..... (None).

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KERR , Senator John H. III ..... 8th District—Greene, Lenoir (part), **Wayne**.
Absent of Leave..... 16.
Committee Assignments—
Standing..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor..... (None).
Co-Sponsor..... 2.

KINNAIRD, Senator Eleanor..... 16th District—Chatham, Lee (part), Moore, **Orange**, Randolph (part).
Absent of Leave..... 22.

KINNAIRD, Senator Eleanor (continued)
Adjournment Motion Second ..... 20.
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

LEDBETTER, Senator Jesse Ingram ..... 28th District—**Buncombe** (part), Burke (part), Madison, McDowell, Yancey.
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... (None).

LEE COUNTY—District 15—Senator Daniel E. Page
District 16—Senator Howard N. Lee
Senator Eleanor Kinnaird

LEE, Senator Howard N. ..... 16th District—Chatham, Lee (part), Moore, **Orange**, Randolph (part).
Absent of Leave ..... 13, 15, 26.
Committee Assignments—
Standing ..... 8.
Prayer Offered ..... 21.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

LENOIR COUNTY—District 7—Senator Luther H. Jordan, Jr.
District 8—Senator John H. Kerr III
District 9—Senator Ed N. Warren

LIEUTENANT GOVERNOR (Dennis A. Wicker; See Also President of the Senate.)

LINCOLN COUNTY—District 25—Senator David W. Hoyle
District 26—Senator Austin M. Allran
District 34—Senator T. L. Odom
District 39—Senator James Forrester

LUCAS, Senator Jeanne Hopkins ..... 13th District—**Durham**, Granville, Person (part), Wake (part).
Adjournment Motion ..... 25.
Committee Assignments—
Conference ..... 14, 31.
Standing ..... 8.
Journal Approval ..... 24.

LUCAS, Senator Jeanne Hopkins (continued)
Prayer Offered ..... 13, 20, 49.
Vote—
Paired S 2 (Concurrence House Committee Substitute) ..... 14.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-sponsor ..... 2.

MACON COUNTY—District 29—Senator Thomas K. Jenkins
District 42—Senator Robert C. Carpenter

MADISON COUNTY—District 28—Senator R L Clark
Senator Jesse I. Ledbetter

MARTIN COUNTY—District 6—Senator R. L. Martin
District 9—Senator Ed N. Warren

MARTIN, Senator R. L. ..... 6th District—Edgecombe (part), Martin (part), **Pitt** (part), Washington (part), Wilson (part).
Absent of Leave ..... 15.
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

MARTIN, Senator William N. ..... 31st District—**Guilford** (part).
Adjournment Motion Second ..... 22.
Committee Assignments—
Conference ..... 14, 31.
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

McDANIEL, Senator James Mark ..... 20th District—**Forsyth** (part).
Absent of Leave ..... 19.
Adjournment Motion Second ..... 13.
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... (None).

MCDOWELL COUNTY—District 28—Senator R L Clark
Senator Jesse I. Ledbetter

MECKLENBURG COUNTY—District 33—Senator Charlie Dannelly
District 34—Senator T. L. Odom

MECKLENBURG COUNTY (continued)
District 35—Senator Robert A. Rucho
District 40—Senator Leslie Winner

MILLER, Senator Brad ..... 14th District—Johnston (part), **Wake** (part).
Adjournment Motion ..... 29.
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Committee Assignments—
Standing ..... 8.
Journal Approval ..... 28, 30.
Vote—
Paired S 2 (Concurrence House Committee Substitute) ..... 14.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

MITCHELL COUNTY—District 27—Senator John A. Garwood
Senator Kenneth R. Moore

MONTGOMERY COUNTY—District 17—Senator Aaron W. Plyler
Senator William R. Purcell

MOORE COUNTY—District 16—Senator Howard N. Lee
Senator Eleanor Kinnaird

MOORE, Senator Kenneth R. ..... 27th District—Alexander, Avery, Burke (part), **Caldwell**, Mitchell, Wilkes, Yadkin.
Absent of Leave ..... 15, 30.
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... (None).

NASH COUNTY—District 10—Senator Roy A. Cooper III

NEW HANOVER COUNTY—District 4 —Senator Patrick J. Ballantine
District 7 —Senator Luther H. Jordan, Jr.
District 18—Senator R. C. Soles, Jr.

NORTHAMPTON COUNTY—District 2—Senator Frank W. Ballance, Jr.

ODOM, Senator T. L. ..... 34th District—Iredell (part), Lincoln (part), **Mecklenburg** (part).
Adjournment Motion ..... 24.
Adjournment Motion Second ..... 28.
Committee Assignments—
Standing ..... 8.

ODOM, Senator T. L. (continued)
Journal Approval ..... 24.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

ONSLOW COUNTY—District 4—Senator Patrick J. Ballantine
District 5—Senator Charles W. Albertson
District 7—Senator Luther H. Jordan, Jr.

ORANGE COUNTY—District 16—Senator Howard N. Lee
Senator Eleanor Kinnaird

PAGE, Senator Daniel E. ..... 15th District—**Harnett**, Johnston (part), Lee (part), Sampson (part).
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... (None).

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PAMLICO COUNTY—District 3—Senator Beverly Eaves Perdue

PASQUOTANK COUNTY—District 1—Senator Marc Basnight

PENDER COUNTY—District 4—Senator Patrick J. Ballantine
District 5—Senator Charles W. Albertson
District 7—Senator Luther H. Jordan, Jr.

PERDUE, Senator Beverly Eaves ..... 3rd District—Carteret (part), **Craven**, Pamlico.
Committee Assignments—
Conference ..... 14, 31.
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

PERQUIMANS COUNTY—District 1—Senator Marc Basnight

PERSON COUNTY—District 13—Senator Wilbur P. Gulley
Senator Jeanne H. Lucas
District 21—Senator Hugh Webster

PHILLIPS, Senator Jim, Sr. ..... 23rd District—**Davidson** (part), Iredell (part), Rowan (part).

PHILLIPS, Senator Jim, Sr. (continued)
Committee Assignments—
Conference ..... 14, 31.
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

PITT COUNTY—District 6—Senator R. L. Martin
District 9—Senator Ed N. Warren

PLYLER, Senator Aaron W. ..... 17th District—Anson, Hoke (part), Montgomery, Richmond, Scotland, Stanly (part), **Union**.
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

POLK COUNTY—District 42—Senator Robert C. Carpenter

PRAYERS OFFERED TO OPEN SESSION
Morris, The Reverend Mike (Senate Chaplain) ..... 5, 12, 15, 16, 17, 18, 22, 23, 24, 25, 27, 28, 29.
Lee, Senator Howard N. ..... 21.
Lucas, Senator Jeanne ..... 13, 20, 49.
Purcell, Senator William R. ..... 21.

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Adjournment *Sine Die* Declared ..... 51.
Journal Signature ..... 51.
Pledge of Allegiance ..... 5.
Presides Daily Session ..... 5, 12, 13, 15, 16, 17, 18, 20, 21, 22, 23, 24, 25, 27, 30, 49.
Quorum Declared ..... 6.
Recess Declared ..... 9, 13.

PRESIDENT PRO TEMPORE, (See Also Basnight, Senator Marc.)
Presides
Committee of the Whole ..... 9.
Daily Session ..... 27.

PRINCIPAL CLERK (Janet B. Pruitt)
Editors Notes ..... 55.
Journal Signature ..... 51.
Presides Daily Session ..... 28, 29, 49.

PRUITT, JANET B. (See Principal Clerk.)

PURCELL, Senator William R. ..... 17th District—Anson, Hoke (part), Montgomery, Richmond, **Scotland**, Stanly (part), Union.
Adjournment Motion Second ..... 24, 48.
Committee Assignments—
Conference ..... 14, 31.
Standing ..... 8.
Prayer Offered ..... 21.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

RAND, Senator Anthony E. ..... 24th District—**Cumberland** (part).
Absent of Leave ..... 15.
Adjournment Motion ..... 28.
Adjournment Motion Second ..... 23, 27.
Journal Approval ..... 28.
Committee Assignments—
Conference ..... 14, 31.
Standing ..... 8.
Recess Motion ..... 9.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... 1, 2, 3.
Co-Sponsor ..... (None).

RANDOLPH COUNTY—District 16—Senator Eleanor Kinnaird
Senator Howard N. Lee
District 19—Senator Robert G. Shaw

READING CLERK (LeRoy Clark, Jr.)
Call of the Roll ..... 6.

REEVES, Senator Eric Miller ..... 14th District—Johnston (part), **Wake** (part).
Adjournment Motion ..... 28, 51.
Adjournment Motion Second ..... 19, 27, 29.
Committee Assignments—
Standing ..... 8.
Journal Approval ..... 29.
Recess Declared ..... 30, 49.
Vote—
Paired S 2 (Concurrence House Committee Substitute) ..... 14.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

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Employment Security Commission
Unemployment Insurance Trust Fund and the State
Unemployment Insurance Reserve Fund Report ..... 11.

REPORTS (continued)
North Carolina Department of Commerce
Welfare to Work Program Report ..... 20.
North Carolina Department of Health and Human Services
Adult Care Homes Report ..... 11.
Rate Setting, Preliminary Report ..... 11.
Thomas S. Funds/Cost Containment Report ..... 11.
Medical Care Division
Health Care Personnel Registry Act Report ..... 20.
North Carolina Sentencing and Policy Commission and
North Carolina Department of Correction
Recidivism Among Criminal Offenders, Report of
Fiscal Year 1993-94 ..... 19.
Office of State Controller, Office of State Budget and
Management, and the North Carolina Department
of Revenue
Summary of Financial Condition ..... 20.

RESOLUTIONS FROM OTHER STATES
Louisiana House Resolution Number 120 ..... 11.
Minnesota Resolution 1, Senate File Number 22 ..... 11.

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S 3 Adjournment Sine Die/1998 Extra Session (Res. 1) ..... 48, 50.

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Senator William R. Purcell

ROBESON COUNTY—District 30—Senator David Weinstein

ROCKINGHAM COUNTY—District 12—Senator Don W. East
Senator Virginia Foxx

ROWAN COUNTY—District 22—Senator Fletcher L. Hartsell, Jr.
District 23—Senator Jim W. Phillips, Sr.
District 38—Senator Betsy L. Cochrane

RUCHO, Senator Robert A. ..... 35th District—**Mecklenburg** (part).
Absent of Leave ..... 15, 16.
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... (None).

RUTHERFORD COUNTY—District 37—Senator Walter Dalton

SAMPSON COUNTY—District 5—Senator Charles W. Albertson
District 15—Senator Daniel E. Page
District 30—Senator David Weinstein

SCOTLAND COUNTY—District 17—Senator Aaron W. Plyler
Senator William R. Purcell

SENATE RULES
S 1 Permanent Rules/Extra Session 1998 (Adopted) ..... 7.

SENATE STAFF ..... 59.

SERGEANT-AT-ARMS (Cecil Goins)

SHAW, Senator Larry ..... 41st District—**Cumberland** (part).
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

SHAW, Senator Robert G. ..... 19th District—Davidson (part), **Guilford** (part), Randolph (part).
Adjournment Motion Second ..... 21.
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... (None).

SOLES, Senator R. C., Jr. ..... 18th District—Bladen (part), Brunswick, **Columbus**, New Hanover (part).
Adjournment Motion Second ..... 17, 25.
Committee Assignments—
Standing ..... 8.
Journal Approval ..... 19.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

STANLY COUNTY—District 17—Senator Aaron W. Plyler
Senator William R. Purcell
District 22 —Senator Fletcher L. Hartsell, Jr.

STOKES COUNTY—District 12—Senator Don W. East
Senator Virginia Foxx

SURRY COUNTY—District 12—Senator Don W. East
Senator Virginia Foxx

SWAIN COUNTY—District 29—Senator Thomas K. Jenkins

TRANSYLVANIA COUNTY—District 29—Senator Thomas K. Jenkins
District 42—Senator Robert C. Carpenter

TYRRELL COUNTY—District 1—Senator Marc Basnight

UNION COUNTY—District 17—Senator Aaron W. Plyler
Senator William R. Purcell

VANCE COUNTY—District 2—Senator Frank W. Ballance, Jr.
District 11—Senator Allen H. Wellons

WAKE COUNTY—District 13—Senator Wilbur P. Gulley
Senator Jeanne H. Lucas
District 14—Senator Brad Miller
Senator Eric Miller Reeves
District 36—Senator John H. Carrington

WARREN COUNTY—District 2—Senator Frank W. Ballance, Jr.

WARREN, Senator Ed N......9th District—Beaufort (part), Lenoir (part), Martin (part), **Pitt** (part).
Committee Assignments—
Standing..... 8.
Journal Approval..... 49.
Bills and Resolutions—(Senate Bills)
Primary Sponsor..... (None).
Co-Sponsor..... 2.

WASHINGTON COUNTY—District 1—Senator Marc Basnight
District 6—Senator R. L. Martin

WATAUGA COUNTY—District 12—Senator Don W. East
Senator Virginia Foxx

WAYNE COUNTY—District 8—Senator John H. Kerr III

WEBSTER, Senator Hugh..... 21st District—Alamance, **Caswell,** Person (part).
Absent of Leave..... 16.
Committee Assignments—
Standing..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor..... (None).

WEBSTER, Senator Hugh (continued)
Bills and Resolutions—(Senate Bills) (continued)
Co-Sponsor ..... (None).

WEINSTEIN, Senator David ..... 30th District—Bladen (part), Cumberland (part), Hoke (part), **Robeson**, Sampson (part).
Absent of Leave ..... 23, 24, 27.
Adjournment Motion Second ..... 16.
Committee Assignments—
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

WELLONS, Senator Allen H. ..... 11th District—Franklin, **Johnston** (part), Vance (part), Wilson (part).
Committee Assignments—
Conference ..... 19, 31.
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

WILKES COUNTY—District 27—Senator John A. Garwood
Senator Kenneth R. Moore

WILSON COUNTY—District 6—Senator R. L. Martin
District 10—Senator Roy A. Cooper III
District 11—Senator Allen H. Wellons

WINNER, Senator Leslie ..... 40th District—**Mecklenburg** (part).
Absent of Leave ..... 16.
Committee Assignments—
Conference ..... 14, 31.
Standing ..... 8.
Bills and Resolutions—(Senate Bills)
Primary Sponsor ..... (None).
Co-Sponsor ..... 2.

YADKIN COUNTY—District 27—Senator John A. Garwood
Senator Kenneth R. Moore

YANCEY COUNTY—District 28—Senator R L Clark
Senator Jesse I. Ledbetter

JOURNAL

OF THE

SENATE

OF THE

1997 GENERAL ASSEMBLY

OF THE

STATE OF NORTH CAROLINA

SECOND SESSION

1998

OFFICERS AND MEMBERS
OF
THE SENATE OF THE NORTH CAROLINA
GENERAL ASSEMBLY
1997 SESSION
SECOND SESSION 1998

DENNIS A. WICKER, President ..... Sanford
MARC BASNIGHT, President *Pro Tempore* ..... Manteo
FRANK W. BALLANCE, JR., Deputy President *Pro Tempore* ..... Warrenton
JANET B. PRUITT, Principal Clerk ..... Raleigh
LEROY CLARK, JR., Reading Clerk ..... Wendell
CECIL GOINS, Sergeant–at–Arms ..... Raleigh

DISTRICT	NAME OF SENATOR	CITY of RESIDENCE
1	MARC BASNIGHT (D)	Manteo
2	FRANK W. BALLANCE, JR. (D)	Warrenton
3	BEVERLY EAVES PERDUE (D)	New Bern
4	PATRICK J. BALLANTINE (R)	Wilmington
5	CHARLES W. ALBERTSON (D)	Beulaville
6	R. L. MARTIN (D)	Bethel
7	LUTHER HENRY JORDAN, JR. (D)	Wilmington
8	JOHN KERR (D)	Goldsboro
9	ED N. WARREN (D)	Greenville
10	ROY A. COOPER III (D)	Rocky Mount
11	ALLEN H. WELLONS (D)	Smithfield
12	DON W. EAST (R)	Pilot Mountain
	VIRGINIA FOXX (R)	Banner Elk
13	WILBUR P. GULLEY (D)	Durham
	JEANNE H. LUCAS (D)	Durham
14	BRAD MILLER (D)	Raleigh
	ERIC MILLER REEVES (D)	Raleigh
15	DANIEL E. PAGE (R)	Coats
16	ELEANOR KINNAIRD (D)	Carrboro
	HOWARD N. LEE (D)	Chapel Hill
17	AARON W. PLYLER (D)	Monroe
	WILLIAM R. PURCELL (D)	Laurinburg

18	R. C. SOLES, JR. (D)	Tabor City
19	ROBERT G. SHAW (R)	Greensboro
20	HAMILTON C. HORTON (R)	Winston-Salem
	JAMES MARK McDANIEL (R)	Pfafftown
21	HUGH WEBSTER (R)	Yanceyville
22	FLETCHER L. HARTSELL, JR. (R)	Concord
23	JIM PHILLIPS, SR. (D)	Lexington
24	ANTHONY E. RAND (D)	Fayetteville
25	DAVID HOYLE (D)	Dallas
26	AUSTIN M. ALLRAN (R)	Hickory
27	JOHN A. GARWOOD (R)	North Wilkesboro
	KENNETH R. MOORE (R)	Lenoir
28	R L CLARK (R)	Asheville
	JESSE I. LEDBETTER (R)	Asheville
29	THOMAS K. JENKINS (D)	Franklin
30	DAVID WEINSTEIN (D)	Lumberton
31	WILLIAM N. MARTIN (D)	Greensboro
32	JOHN M. BLUST (R)	High Point
33	CHARLIE SMITH DANNELLY (D)	Charlotte
34	T. L. ODOM (D)	Charlotte
35	ROBERT A. RUCHO (R)	Matthews
36	JOHN H. CARRINGTON (R)	Raleigh
37	WALTER DALTON (D)	Rutherfordton
38	BETSY L. COCHRANE (R)	Advance
39	JAMES FORRESTER (R)	Stanley
40	LESLIE WINNER (D)	Charlotte
41	LARRY SHAW (D)	Fayetteville
42	ROBERT C. CARPENTER (R)	Franklin

SENATE JOURNAL

SECOND SESSION

1998

ONE HUNDRED TWENTY-FOURTH DAY

Senate Chamber
Monday, May 11, 1998

The Senate meets at 12:00 Noon pursuant to adjournment as provided by Resolution 33, and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor, in the Senate Chamber in the State Capitol.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Almighty God, in this historic place and on the opening day of this Session we might be prone to a moment or two of nostalgia--remembering the great Statesmen who sat at these desks and debated issues in behalf of the people of our State. But the men and women who now occupy these Senatorial seats are also great Statesmen. Help them raise the bar and set new standards of statesmenship for future generations to remember.

"We might be prone to think of the past as the good old days, but let us remember that it was easier to conquer adversity in those days of relative poverty than it will be now for these Senators to conquer the prosperity that blesses us. Help them to continue to reach out to the disenfranchised and needy in our State.

"Finally, Oh God, remind us that this is Your world. You began it in creation, You live among us, work within us, sometimes despite us, to bring all things to Yourself. Renew in these Senators a vision of Your kingdom in its fullness. Keep that vision ever before them particularly during the times in this Session when the going is rough and when they might be tempted to lose hope.

"Thy kingdom come, Thy will be done on earth, in North Carolina, as it is in Heaven. In Your Holy Name we pray. Amen."

PLEDGE OF ALLEGIANCE

Led by the Lieutenant Governor, members and guests remain standing and pledge allegiance to the flag of the United States of America.

Senator Basnight, President *Pro Tempore*, announces that the Journal of Thursday, August 28, 1997, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Carl King Rust, II, from Wilmington, North Carolina, who is serving the Senate as Doctor of the Day.

EXECUTIVE ORDERS

Executive Orders received in the Office of the Principal Clerk are presented to the Senate and read as follows:

Executive Order Number 134, The Commission on Substance Abuse Treatment and Prevention.

Executive Order Number 135, Extending Executive Order No. 47, Board of Education for the Schools for the Deaf.

PERSONAL PRIVILEGE

Senator Basnight is recognized for a point of personal privilege as follows:

"Today is a very important day for all of us, so to these Chambers we welcome you back to your Capitol and your Chambers. It was four years ago that we came here, back when the ... of this great State ... This day, again, is very special for those of you who are now serving in here.

"As we take a step back into history, we should take this opportunity to focus on where North Carolina was 150 years ago and how far we have come. Our population has grown tenfold, from 700,000 to 7 million, our economic development, once struggling, is now booming, and where we were once a collection of poor communities, we have become the envy of many states.

"But some of the same challenges our leaders faced then are still with us today. I am thinking specifically of our great responsibility to educate North Carolina's children.

"I would like to leave you with this statement from Senate President Francis D. Winston on opening day in 1909:

'We have built a new schoolhouse every day in the year during the last five years. The tick of the clock has not been more regular than the hammer of the schoolhouse carpenter.

Our little school districts have become the centers of local self-government and are illustrating the wisdom and the power of government by the people, of the people and for the people.

Our army of school children will grow until, clasping hands, they may reach from seashore to mountains. These are the true guardians of the State.

Let the State be true to them and they will ever be true to her—will give her peace, prosperity, virtue and happiness. The real hope of the world is in the constant improvement of each generation of children.' "

The President recognizes the following pages serving in the Senate this week:

Julie Elizabeth Clark, Wagram; James Blakley Gwatkin, Jarvisburg; Bethany Hinson, Greensboro; Catharine S. Huisman, Raleigh; Elizabeth Jernigan, Raleigh; Christy Ann Johnson, Hope Mills; Kristen Lane Jones, Garner; Danielle Logan, Garner; April Lyle, Fayetteville; Cara McNeill, Southern Pines; Michael Oliphant, Charlotte; Stephen Oliphant, Charlotte; Crystal Michelle Rogers, Sanford; Matthew Vernon Smith, Greensboro; Michael Sean Sullivan, Beulaville; Laura Tanzini, Raleigh; Jason Godfrey Ward, Kitty Hawk; and Nichole Ashby Weston, Yanceyville.

On motion of Senator Basnight, seconded by Senator Rand, the Senate adjourns at 12:15 P.M. to meet tomorrow, Tuesday, May 12, at 2:00 P.M.

ONE HUNDRED TWENTY-FIFTH DAY

Senate Chamber
Tuesday, May 12, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Dr. James Donald Phillips, Pastor of First United Methodist Church of Henderson, North Carolina, as follows:

"Almighty and Eternal God, we bow before You at this time, mercifully asking that You receive our prayers of thanksgiving for Your goodness to us as Your people.

"Our great nation has been blessed with fertile fields, scenic wonders, and great natural resources. Because of Your divine influence, many people have sacrificed, some with life itself, that we may gather in freedom here in this place. As individuals, we are recipients of life, health, material possessions, keen minds, and the trust of the people whom we serve. What a great opportunity! What a sacred trust! What an awesome responsibility! How blessed we are, and we thank You, O Father.

"May all who sit in this place now, and in the future, serve You in honesty of purpose and uprightness of life. May they never forget their duties to the people they serve, and to You. Deliver them from the love of power and from motives of personal gain; from considerations of men or money in place of the demands of truth and justice.

"Bless each of them with wisdom, patience, courage, and the determination to always do what is right, fair, honest, and that which is good for the people of our great State.

"Help each of them to remember that it is easy to do what is popular and difficult to show restraint. When the strain of their office and the decisions they struggle to make, weigh heavily upon them, touch each one with a measure of Your power and strength. Remind them that as long as they are pure in heart and morally upright in their actions, habits and thinking, both in public and private, they can look to You for answers, strength, and courage to complete their tasks.

"For this and all benefits of Your love, mercy and grace we say thank You. Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Reeves.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Monday, May 11, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Marion Wilson Griffin from Asheboro, North Carolina, who is serving the Senate as Doctor of the Day, and Sandra Wilder from Winston-Salem, North Carolina, who is serving the Senate as Nurse of the Day.

INTRODUCTION OF BILLS AND A RESOLUTION

Bills and a resolution filed for introduction are presented to the Senate, read the first time, and disposed of, as follows:

By Senators Soles, Dannelly, Shaw of Cumberland, Warren and Wellons:

S.B. 1090, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO ESTABLISH THE NORTH CAROLINA MUSEUM OF FORESTRY.

Referred to **Appropriations Committee.**

By Senators Soles, Shaw of Cumberland, Warren and Wellons:

S.B. 1091, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO ESTABLISH THE NORTH CAROLINA MUSEUM OF FORESTRY.

Referred to **Appropriations Committee.**

By Senators Hoyle, Kerr, Albertson, Ballance, Basnight, Cooper, Dalton, Dannelly, Gulley, Jenkins, Jordan, Kinnaird, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Soles, Warren, Weinstein, Wellons and Winner:

S.B. 1092, A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE STATE SALES TAX ON FOOD.

Referred to **Finance Committee.**

By Senators Plyler, Dannelly, Gulley and Warren:

S.B. 1093, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE DEPARTMENT OF ADMINISTRATION TO CERTIFY THE BROAD FEASIBILITY OF STATE CONSTRUCTION PROJECTS AND MAKE THAT CERTIFICATION A PREREQUISITE TO FUNDING.

Referred to **Commerce Committee.**

By Senators Forrester, Dannelly and Hoyle:

S.J.R. 1094, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE GOVERNING BODY OF A TAXING UNIT MAY DELAY THE ACCRUAL OF INTEREST ON CERTAIN UNPAID PROPERTY TAXES.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Shaw of Guilford, Allran, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, Forrester, Foxx, Garwood, Ledbetter and Moore:

S.B. 1095, A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE STATE SALES TAX ON FOOD.

Referred to **Finance Committee.**

By Senators Shaw of Guilford, Allran, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, Forrester, Foxx, Garwood, Ledbetter, Moore and Hartsell:

S.B. 1096, A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE NORTH CAROLINA INHERITANCE TAX AND TO RETAIN A STATE ESTATE TAX EQUAL TO THE FEDERAL STATE DEATH TAX CREDIT.

Referred to **Finance Committee.**

REPORT TO GENERAL ASSEMBLY

A Board, Commission, or Agency directed to report to the General Assembly submits a report which is ordered placed on file in the Legislative Library, as follows:

Pursuant to S.L. 1997-172, Senate Bill 626, the Department of Health and Human Services (DHHS) submits its report on the implementation of the Office of Women's Health.

COMMITTEE REFERRAL RECALL

H.B. 579 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE INITIAL ELECTION OF THE ALAMANCE-BURLINGTON BOARD OF EDUCATION SHALL BE HELD IN 1997, referred to the **State Government, Local Government, and Personnel Committee** on April 23, 1997.

Pursuant to Rule 47(a), Senator Miller offers a motion that the Committee Substitute bill be withdrawn from the **State Government, Local Government, and Personnel Committee**, and referred to the **Judiciary Committee,** which motion prevails with unanimous consent.

The Chair orders the Committee Substitute bill withdrawn from the **State Government, Local Government, and Personnel Committee** and refers the measure to the **Judiciary Committee**.

APPOINTMENTS TO COMMITTEES

Senator Basnight, President *Pro Tempore,* announces appointments to the following committees, pursuant to Rule 31:

Senator Hartsell, Senator Shaw of Cumberland, Senator Dalton, and Senator Wellons are appointed to the **Senate Select Committee on Congressional Redistricting.**

Senator Moore is appointed to **Appropriations on Natural and Economic Resources.**

On motion of Senator Basnight, seconded by Senator McDaniel, the Senate adjourns at 2:20 P.M. to meet tomorrow, Wednesday, May 13, at 2:00 P.M.

ONE HUNDRED TWENTY-SIXTH DAY

Senate Chamber
Wednesday, May 13, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Oh God, we are offered choices as we journey through life. We can choose instruction or remain in ignorance. We can pursue light or remain in darkness. We can

be enriched with wisdom or be impoverished with pride. We can listen and learn, or speak and be unknowing.

"As Your people, we have committed to be followers of Your way and to walk in the paths of righteousness. Equip us for the journey, enable us when we tire, and empower us when we are weak. Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Albertson.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Tuesday, May 12, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Charles Otis Boyette from Belhaven, North Carolina, who is serving the Senate as Doctor of the Day, and Saundra Endress from Chapel Hill, North Carolina, who is serving the Senate as Nurse of the Day.

REPORT OF COMMITTEE

A bill is reported from a standing committee read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Kerr for the **Finance Committee**:

S.B. 1092, A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE STATE SALES TAX ON FOOD, with a favorable report.

INTRODUCTION OF BILLS AND RESOLUTIONS

Bills and resolutions filed for introduction are presented to the Senate, read the first time, and disposed of, as follows:

By Senators Foxx and East:

S.B. 1097, A BILL TO BE ENTITLED AN ACT ABOLISHING THE OFFICE OF CORONER IN ASHE COUNTY.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senator Cochrane:

S.B. 1098, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE CREATION OF COOLEEMEE'S TEXTILE HERITAGE HISTORIC SITE IN THE TOWN OF COOLEEMEE IN DAVIE COUNTY.

Referred to **Appropriations Committee**.

By Senator Soles:

S.B. 1099, A BILL TO BE ENTITLED AN ACT RELATING TO THE CITIES AND TOWNS IN THE EIGHTEENTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee**.

By Senator Soles:

S.B. 1100, A BILL TO BE ENTITLED AN ACT RELATING TO THE CITIES AND TOWNS IN THE EIGHTEENTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee**.

By Senator Soles:

S.B. 1101, A BILL TO BE ENTITLED AN ACT RELATING TO THE CITIES AND TOWNS IN THE EIGHTEENTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee**.

By Senator Cochrane:

S.B. 1102, A BILL TO BE ENTITLED AN ACT TO MODIFY THE PURPOSES FOR WHICH DAVIE OCCUPANCY TAX PROCEEDS MAY BE USED AND TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE LAW.

Referred to **Finance Committee**.

By Senators Carpenter and Jenkins:

S.B. 1103, A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FRANKLIN.

Referred to **State Government, Local Government, and Personnel Committee,** and upon a favorable report, re-referred to the **Finance Committee**.

By Senator Weinstein:

S.B. 1104, A BILL TO BE ENTITLED AN ACT TO CHANGE THE BOUNDARIES OF THE LUMBERTON ECONOMIC DEVELOPMENT AND TOURIST DISTRICT.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senators Horton, Cochrane and McDaniel:

S.J.R. 1105, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF ARCHIBALD KIMBROUGH DAVIS, FORMER MEMBER OF THE GENERAL ASSEMBLY.

Referred to **Rules and Operations of the Senate Committee**.

By Senators Lee, Allran and Odom:

S.B. 1106, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT RECOMMENDATIONS CONCERNING THE OREGON INLET.

Referred to **Appropriations Committee**.

By Senators Rand, Ballance, Cooper, Dalton, Gulley, Hartsell, Kerr, Kinnaird, Miller, Odom and Wellons:

S.B. 1107, A BILL TO BE ENTITLED AN ACT SETTING BY STATUTE THE SALARIES OF THE ADMINISTRATOR AND THE EXECUTIVE SECRETARY OF THE INDUSTRIAL COMMISSION AND APPROPRIATING FUNDS TO THE DEPARTMENT OF COMMERCE TO IMPLEMENT THOSE SALARIES.

Referred to **Appropriations Committee.**

By Senators Kerr, Albertson, Allran, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Foxx, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Ledbetter, Lee, Martin of Pitt, Martin of Guilford, McDaniel,

Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein and Wellons:

S.B. 1108, A BILL TO BE ENTITLED AN ACT TO REDUCE THE UNEMPLOYMENT INSURANCE TAX RATE FOR 1999 FOR ALL EMPLOYERS WITH A POSITIVE EXPERIENCE RATING.

Referred to **Finance Committee.**

By Senator Kerr:

S.B. 1109, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR REST ROOM FACILITIES AT THE CLIFFS OF THE NEUSE STATE PARK.

Referred to **Appropriations Committee**.

By Senator Kerr:

S.B. 1110, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR CAPITAL IMPROVEMENTS AND RENOVATIONS OF THE FACILITIES AT THE WAYNE REGIONAL AGRICULTURAL FAIRGROUNDS.

Referred to **Appropriations Committee**.

By Senators Horton, Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Dalton, Dannelly, Forrester, Foxx, Garwood, Hartsell, Hoyle, Jenkins, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons and Winner:

S.J.R. 1111, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF ARCHIBALD KIMBROUGH DAVIS, FORMER MEMBER OF THE GENERAL ASSEMBLY.

Referred to **Rules and Operations of the Senate Committee**.

By Senators Purcell and Plyler:

S.B. 1112, A BILL TO BE ENTITLED AN ACT TO ALLOW ABSENTEE VOTING IN LAURINBURG CITY ELECTIONS CONDUCTED BY THE MUNICIPAL BOARD OF ELECTIONS.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senator Soles:

S.B. 1113, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE TOWN OF CHADBOURN FOR EMERGENCY WATER AND SEWER REPAIRS.

Referred to **Appropriations Committee**.

By Senator Soles:

S.B. 1114, A BILL TO BE ENTITLED AN ACT TO REENACT THE 1986 LAW PROVIDING FOR RISK-SHARING PLANS, TO AMEND THE IMMUNITY STATUTES FOR THE FAIR AND BEACH PLANS, AND TO MAKE A TECHNICAL AMENDMENT IN THE BEACH PLAN LAWS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

CALENDAR

S.B. 1092, A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE STATE SALES TAX ON FOOD.

With unanimous consent, on motion of Senator Hoyle, the rules are suspended, and the bill is placed on the Calendar for immediate consideration.

Senator McDaniel offers Amendment No. 1 which fails of adoption (20-29).

The bill passes its second (49-0) and third readings and is ordered sent to the House of Representatives.

ADDITIONAL SPONSORS

Senator Hartsell and Senator Webster request to be added as a sponsor to previously introduced legislation:

S.B. 1095, A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE STATE SALES TAX ON FOOD.

S.B. 1096, A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE NORTH CAROLINA INHERITANCE TAX AND TO RETAIN A STATE ESTATE TAX EQUAL TO THE FEDERAL STATE DEATH TAX CREDIT.

On motion of Senator Basnight, seconded by Senator Rand, the Senate adjourns at 2:57 P.M. to meet tomorrow, Thursday, May 14, at 11:30 A.M.

ONE HUNDRED TWENTY-SEVENTH DAY

Senate Chamber
Thursday, May 14, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, today, with the introduction of new legislation, the history celebrated at the opening session at the Capitol takes a back seat to the present and future. Though there will be differences of opinion on how best to construct our today and tomorrows, let the atmosphere here always resonate with community among the members.

"The optimist in all of us believes we live in the best of all possible worlds. The pessimist in us fears this is true. Each Senator at different times will feel both sentiments.

"Grant them abiding faith, eternal hope and a strong sense of Your loving kindness, not only that they may know of Your presence at those times, but also so that they may share that presence with each other. Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Hartsell.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Wednesday, May 13, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. George Podgorny from Winston-Salem, North Carolina, who is serving the Senate as Doctor of the Day, and to William Grau from Greenville, North Carolina, who is serving the Senate as Nurse of the Day.

CONFERENCE REPORT

S.B. 993 (House Committee Substitute)

Senator Rand for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **S.B. 993** (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ESTABLISH PROCEDURES FOR CONVERSIONS BY HOSPITALS, MEDICAL, AND DENTAL SERVICE CORPORATIONS, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 993, A BILL TO BE ENTITLED AN ACT TO ESTABLISH PROCEDURES FOR CONVERSIONS BY HOSPITAL, MEDICAL, AND DENTAL SERVICE CORPORATIONS, House Committee Substitute, Fifth Edition Engrossed 6/9/97, submit the following report:

The Senate and House agree to the following amendment to the House Committee Substitute, Fifth Edition Engrossed 6/9/97, and the Senate concurs in the House Committee Substitute, Fifth Edition Engrossed 6/9/97, as amended:

Delete the entire House Committee Substitute, Fifth Edition Engrossed 6/9/97, and substitute the attached Proposed Conference Committee Substitute S993-PCCS 1910.

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: May 13, 1998.

S/Tony Rand	S/Leo Daughtry
S/Roy Cooper	S/John W. Hurley
S/Howard Lee	S/Jerry C. Dockham
S/David Hoyle	S/Philip A. Baddour
S/Leslie Winner	S/Ed McMahan
S/James Forrester	S/Lyons Gray

S/Hamilton Horton, Jr.
S/Betsy L. Cochrane
S/Mark McDaniel

Conferees for the Senate

S/Howard Hunter, Jr.

Conferees for the House of Representatives

The text of the attached proposed Conference Committee Substitute bill 1910, is as follows:

AN ACT TO ESTABLISH PROCEDURES FOR CONVERSIONS BY HOSPITAL, MEDICAL, AND DENTAL SERVICE CORPORATIONS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-65-130(3) reads as rewritten:

"(3) The charter of any corporation subject to the provisions of this Article and Article 66 of this Chapter may be amended to convert that corporation, so amending its charter, into ~~either~~ a ~~mutual nonstock or~~ stock accident and health insurance company or stock life insurance company subject to the provisions of Articles 1 through 64 of this Chapter provided the contractual rights of the subscribers ~~or~~ and certificate holders ~~in the reserves and capital of such~~ of the corporation are adequately ~~protected under rules and regulations adopted by the Commissioner of Insurance.~~ protected. The proposed amendment shall be considered pursuant to G.S. 58-65-131, 58-65-132, and 58-65-133. Other provisions of this section and this Article relating to the procedure for amending the charter shall not apply."

Section 2. Article 65 of Chapter 58 of the General Statutes is amended by adding the following new sections to read:

"§58-65-131. Findings; definitions; conversion plan.

(a) Intent and Findings. -- It is the intent of the General Assembly by the enactment of this section, G.S. 58-65-132, and G.S. 58-65-133 to create a procedure for a medical, hospital, or dental service corporation to convert to a stock accident and health insurance company or stock life insurance company that is subject to the applicable provisions of Articles 1 through 64 of this Chapter. Except as provided herein, it is not the intent of the General Assembly to supplant, modify, or repeal other provisions of this Article and Article 66 of this Chapter or the provisions of Chapter 55A of the General Statutes (the Nonprofit Corporation Act) that govern other transactions and the procedures relating to such transactions that apply to corporations governed by the provisions of this Article and Article 66 of this Chapter.

The General Assembly recognizes the substantial and recent changes in market and health care conditions that are affecting these corporations and the benefit of equal regulatory treatment and competitive equality for health care insurers. The General Assembly finds that a procedure for conversion is in the best interest of policyholders because it will provide greater financial stability for these corporations and a greater opportunity for the corporations to remain financially independent. The General Assembly also finds that if a medical, hospital, or dental service corporation converts to a stock accident and health insurance company or stock life insurance company, the conversion plan must provide a benefit to the people of

North Carolina equal to one hundred percent (100%) of the fair market value of the corporation.

(b) Definitions. -- As used in this section, G.S. 58-65-132, and G.S. 58-65-133:

(1) "Certificate holder" includes an enrollee, as defined in Article 67 of this Chapter, in a health maintenance plan provided by the corporation or a subsidiary or by the new corporation or a subsidiary.

(2) "Code" means Title 26 of the United States Code, the United States Internal Revenue Code of 1986, as amended.

(3) "Conversion" means the conversion of a hospital, medical, or dental service corporation to a stock accident and health insurance company or stock life insurance company subject to the applicable provisions of Articles 1 through 64 of this Chapter.

(4) "Corporation" means a hospital, medical, or dental service corporation governed by this Article that files or is required to file a plan of conversion with the Commissioner under subsection (d) of this section to convert from a hospital, medical, or dental service corporation to a stock accident and health insurance company or stock life insurance company.

(5) "Foundation" means a newly formed tax-exempt charitable social welfare organization formed and operating under section 501(c)(4) of the Code and Chapter 55A of the General Statutes.

(6) "New corporation" means a corporation originally governed by this Article that has had its plan of conversion approved by the Commissioner under G.S. 58-65-132 and that has converted to a stock accident and health insurance company or stock life insurance company.

(c) Compliance Required in Certain Events. -- A corporation governed by this Article shall comply with the provisions of this section, G.S. 58-65-132, and G.S. 58-65-133 before it may do any of the following:

(1) Sell, lease, convey, exchange, transfer, or make other disposition, either directly or indirectly in a single transaction or related series of transactions, of ten percent (10%) of the corporation's assets, as determined by statutory accounting principles, to, or merge or consolidate or liquidate with or into, any business corporation or other business entity, except a business corporation or other business entity that is a wholly owned subsidiary of the corporation. The ten percent (10%) asset limitation in this subdivision does not apply to:

a. The purchase, acquisition by assignment or otherwise by the corporation of individual accident and health policies or contracts insuring North Carolina residents, or with respect to accident and health group master policies or contracts, only the percentage portion of those policies or contracts covering North Carolina resident certificate holders, and that are issued by a company domiciled or licensed to do business in North Carolina, if the purchase is first approved by the Commissioner after notice to the Attorney General, no profit will inure to the benefit of any officer, director, or

employee of the corporation or its subsidiaries, the purchase is transacted at arm's length and for fair value, and the purchase will further the corporation's ability to fulfill its purposes;

b. In the case of a purchase by the corporation of all the common stock of a company domiciled or licensed to do business in North Carolina, that portion of the value of the company which is determined by the Commissioner to be attributable to individual accident and health policies or contracts insuring North Carolina residents or, in the case of accident and health group master policies or contracts, the percentage portion of those policies or contracts covering North Carolina resident certificate holders, if the purchase is first approved by the Commissioner after notice to the Attorney General, no profit will inure to the benefit of any officer, director, or employee of the corporation or its subsidiaries, the purchase is transacted at arm's length and for fair value, and the purchase will further the corporation's ability to fulfill its purposes;

c. Granting encumbrances such as security interests or deeds of trust with respect to assets owned by the corporation or any wholly owned subsidiary to secure indebtedness for borrowed money, the proceeds of which are paid solely to the corporation or its wholly owned subsidiaries and remain subject to the provisions of this section; and

d. Sales or other transfers in the ordinary course of business for fair value of any interest in real property or stocks, bonds, or other securities within the investment portfolio owned by the corporation or any wholly owned subsidiary, the proceeds of which are paid solely to the corporation or any wholly owned subsidiary and remain subject to the provisions of this section.

(2) Directly or indirectly issue, sell, convey, exchange, transfer, or make other disposition to any party of any equity or ownership interest in the corporation or in any business entity that is owned by or is a subsidiary of the corporation, including stock, securities, or bonds, debentures, notes or any other debt or similar obligation that is convertible into any equity or ownership interest, stock or securities. This subdivision shall not be construed to prohibit the corporation or a wholly owned subsidiary, with the approval of the Commissioner after notice to the Attorney General, from investing in joint ventures or partnerships with unrelated third parties, if no profit will inure to the benefit of any officer, director, or employee of the corporation or its subsidiaries, the transaction is conducted at arm's length and for fair value, and the transaction furthers the corporation's ability to fulfill its purposes.

(3) Permit its aggregate annual revenues, determined in accordance with statutory accounting principles, from all for-profit activities or

operations, including but not limited to those of the corporation, any wholly owned subsidiaries, and any joint ventures or partnerships, to exceed forty percent (40%) of the aggregate annual revenues, excluding investment income, of the corporation and its subsidiaries and determined in accordance with statutory accounting principles; or

(4) Permit its aggregate assets for four consecutive quarters, determined in accordance with statutory accounting principles, employed in all for-profit activities or operations, including, but not limited to, those assets owned or controlled by any for-profit wholly owned subsidiaries, to exceed forty percent (40%) of the aggregate admitted assets of the corporation and its subsidiaries for four consecutive quarters, determined in accordance with statutory accounting principles.

In determining whether the corporation must comply with the provisions of this section, G.S. 58-65-132, and G.S. 58-65-133, the Commissioner may review and consolidate actions of the corporation, its subsidiaries, and other legal entities in which the corporation directly or indirectly owns an interest, and treat the consolidated actions as requiring a conversion. An appeal of the Commissioner's order that consolidated actions require a conversion shall lie directly to the North Carolina Court of Appeals, provided that any party may petition the North Carolina Supreme Court, pursuant to G.S. 7A-31(b), to certify the case for discretionary review by the Supreme Court prior to determination by the Court of Appeals. Appeals under this subsection must be filed within 30 days of the Commissioner's order and shall be considered in the most expeditious manner practical. The corporation must file a plan of conversion within 12 months of the later of the issuance of the Commissioner's order or a final decision on appeal.

(d) Charter Amendment for Conversion. -- A corporation may propose to amend its charter pursuant to this Article to convert the corporation to a stock accident and health insurance company or stock life insurance company subject to the applicable provisions of Articles 1 through 64 of this Chapter. The proposed amended charter and a plan for conversion as described in subsection (e) of this section shall be filed with the Commissioner for approval.

(e) Filing Conversion Plan; Costs of Review. -- A corporation shall file a plan for conversion with the Commissioner and submit a copy to the Attorney General at least 120 days before the proposed date of conversion. The corporation or the new corporation shall reimburse the Department of Insurance and the office of the Attorney General for the actual costs of reviewing, analyzing, and processing the plan. The Commissioner and the Attorney General may contract with experts, consultants, or other professional advisors to assist in reviewing the plan. These contracts are personal professional service contracts exempt from Articles 3 and 3C of Chapter 143 of the General Statutes. Contract costs for these personal professional services shall not exceed an amount that is reasonable and appropriate for the review of the plan.

(f) Plan Requirements. -- A plan of conversion submitted to the Commissioner shall state with specificity the following terms and conditions of the proposed conversion:

(1) The purposes of the conversion.

(2) The proposed articles of incorporation of the new corporation.

(3) The proposed bylaws of the new corporation.

(4) A description of any changes in the new corporation's mode of operations after conversion.

(5) A statement describing the manner in which the plan provides for the protection of all existing contractual rights of the corporation's subscribers and certificate holders to medical or hospital services or the payment of claims for reimbursement for those services. The corporation's subscribers and certificate holders shall have no right to receive any assets, surplus, capital, payment or distribution or to receive any stock or other ownership interest in the new corporation in connection with the conversion.

(6) A statement that the legal existence of the corporation does not terminate and that the new corporation is subject to all liabilities, obligations, and relations of whatever kind of the corporation and succeeds to all property, assets, rights, interests, and relations of the corporation.

(7) Documentation showing that the corporation, acting by its board of directors, trustees, or other governing authority, has approved the plan. It shall not be necessary for the subscribers or certificate holders of the corporation to vote on or approve the plan of conversion, any amendments to the corporation's articles of incorporation or bylaws, or the articles of incorporation or the bylaws of the new corporation, notwithstanding any provision to the contrary in this Article or Article 66 of this Chapter or in the articles of incorporation or bylaws of the corporation.

(8) The business plan of the new corporation, including, but not limited to, a comparative premium rate analysis of the new corporation's major plans and product offerings, that, among other things, compares actual premium rates for the three-year period before the filing of the plan for conversion and forecasted premium rates for a three-year period following the proposed conversion. This rate analysis shall address the forecasted effect, if any, of the proposed conversion on the cost to policyholders or certificate holders of the new corporation and on the new corporation's underwriting profit, investment income, and loss and claim reserves, including the effect, if any, of adverse market or risk selection upon these reserves. Information provided under this subsection is confidential pursuant to G.S. 58-19-40.

(9) Any conditions, other than approval of the plan of conversion by the Commissioner, to be fulfilled by a proposed date upon which the conversion would become effective.

(10) The proposed articles of incorporation and bylaws of the Foundation, containing the provisions required by G.S. 58-65-133(h).

(11) Any proposed agreement between the Foundation and the new corporation, including, but not limited to, any agreement relating to the voting or registration for sale of any capital stock to be issued by the new corporation to the Foundation.

(g) Public Comment. -- Within 20 days of receiving a plan to convert, the Commissioner shall publish a notice in one or more newspapers of general

circulation in the corporation's service area describing the name of the corporation, the nature of the plan filed under G.S. 58-65-131(d), and the date of receipt of the plan. The notice shall indicate that the Commissioner will solicit public comments and hold three public hearings on the plan. The public hearings must be completed within 60 days of the filing of the conversion plan. The written public comment period will be held open until 10 days after the last public hearing. For good cause the Commissioner may extend these deadlines once for a maximum of 30 days. The Commissioner shall provide copies of all written public comments to the Attorney General.

(h) Public Access to Records. -- All applications, reports, plans, or other documents under this section, G.S. 58-65-132, and G.S. 58-65-133 are public records unless otherwise provided in this Chapter. The Commissioner shall provide the public with prompt and reasonable access to public records relating to the proposed conversion of the corporation. Access to public records covered by this section shall be made available for at least 30 days before the end of the public comment period.

"§ 58-65-132. Review and approval of conversion plan; new corporation.

(a) Approval of Plan of Conversion.-- The Commissioner shall approve the plan of conversion and issue a certificate of authority to the new corporation to transact business in this State only if the Commissioner finds all of the following:

(1) The plan of conversion meets the requirements of G.S. 58-65-131, this section, and G.S. 58-65-133.

(2) Upon conversion, the new corporation will meet the applicable standards and conditions under this Chapter, including applicable minimum capital and surplus requirements.

(3) The plan of conversion adequately protects the existing contractual rights of the corporation's subscribers and certificate holders to medical or hospital services and payment of claims for reimbursement for those services.

(4) No director, officer, or employee of the corporation will receive:

a. Any fee, commission, compensation, or other valuable consideration for aiding, promoting, or assisting in the conversion of the corporation other than compensation paid to any director, officer, or employee of the corporation in the ordinary course of business; or

b. Any distribution of the assets, surplus, capital, or capital stock of the new corporation as part of a conversion.

(5) The corporation has complied with all material requirements of this Chapter, and disciplinary action is not pending against the corporation.

(6) The plan of conversion is fair and equitable and not prejudicial to the contractual rights of the policyholders and certificate holders of the new corporation.

(7) The plan of conversion is in the public interest. The Commissioner shall find that the plan is in the public interest only if it provides a benefit for the people of North Carolina equal to the value of the corporation at the time of conversion, in accordance with the criteria set out in this subdivision. In determining whether the plan of conversion is in the public interest, the Commissioner may also consider other factors, including, but not limited to, those

relating to the accessibility and affordability of health care. The Commissioner must determine that the plan of conversion meets all of the following criteria:

a. Consideration, determined by the Commissioner to be equal to one hundred percent (100%) of the fair market value of the corporation, will be conveyed or issued by the corporation to the Foundation at the time the new corporation files its articles of incorporation. If the consideration to be conveyed is all of the common stock of the new corporation that is then issued and outstanding at the time of conversion, and there is no other capital stock of any type or nature then outstanding, it is conclusively presumed that the Foundation will acquire the fair market value of the corporation.

b. At any time after the conversion, the new corporation may issue, in a public offering or a private placement, additional shares of common stock of the same class and having the same voting, dividend, and other rights as that transferred to the Foundation, subject to the applicable provisions of Chapter 55 of the General Statutes and any voting and registration agreements.

(8) The plan of conversion contains a proposed voting agreement and registration agreement between the Foundation and the proposed new corporation that meets the requirements of G.S. 58-65-133.

(9) The Attorney General has given approval pursuant to G.S. 58-65-133(h).

(b) New Corporation. -- After issuance of the certificate of authority as provided in subsection (a) of this section, the new corporation shall no longer be subject to this Article and Article 66 of this Chapter but shall be subject to and comply with all applicable laws and regulations applicable to domestic insurers and Chapter 55 of the General Statutes, except that Articles 9 and 9A of Chapter 55 shall not apply to the new corporation. The new corporation shall file its articles of incorporation, as amended and certified by the Commissioner, with the North Carolina Secretary of State. The legal existence of the corporation does not terminate, and the new corporation is a continuation of the corporation. The conversion shall only be a change in identity and form of organization. Except as provided in subdivision (a)(7) of this subsection, all property, assets, rights, liabilities, obligations, interests, and relations of whatever kind of the corporation shall continue and remain in the new corporation. All actions and legal proceedings to which the corporation was a party prior to conversion shall be unaffected by the conversion.

(c) Final Decision and Order; Procedures. -- The Commissioner's final decision and order regarding the plan of conversion shall include findings of fact and conclusions of law. Findings of fact shall be based upon and supported by substantial evidence, including evidence submitted with the plan by the corporation and evidence obtained at hearings held by the Commissioner. A person aggrieved by a final decision of the Commissioner approving or disapproving a conversion may petition the Superior Court of Wake County within 30 days thereafter for judicial review. An appeal from a final decision and order of the Commissioner under this section shall be conducted pursuant to G.S. 58-2-75. Chapter 150B of the General

Statutes does not apply to the procedures of G.S. 58-65-131, this section, and G.S. 58-65-133. This subsection does not apply to appeal of an order of the Commissioner issued pursuant to G.S. 58-65-131(c).

(d) Attorney General's Enforcement Authority; Legal Action on Validity of Plan of Conversion. --

(1) Nothing in this Chapter limits the power of the Attorney General to seek a declaratory judgment or to take other legal action to protect or enforce the rights of the public in the corporation.

(2) Any legal action with respect to the conversion must be filed in the Superior Court of Wake County.

"§ 58-65-133. Creation and operation of foundation.

(a) Creation. -- A Foundation shall be created to receive the fair market value of the corporation as provided in G.S. 58-65-132(a)(7) when the corporation converts.

(b) Purpose. -- The charitable purpose of the Foundation shall be to promote the health of the people of North Carolina. For a period of 10 years from the effective date of the conversion, the Foundation may not, without the consent of the Attorney General, establish or operate any entity licensed pursuant to Chapter 58 of the General Statutes that would compete with the new corporation or any of its subsidiaries.

(c) Board of Directors. -- The initial board of directors of the foundation shall consist of 11 members appointed by the Attorney General from a list of nominees recommended pursuant to subsection (d) of this section. The Attorney General shall stagger the terms of the initial appointees so that six members serve two-year terms and five members serve four-year terms. The board shall fill a vacancy in an initial term. Their successors shall be chosen by the board of directors of the Foundation in accordance with the bylaws of the Foundation and shall serve four-year terms. No member may serve more than two consecutive full terms nor more than 10 consecutive years. The Foundation may increase or decrease the size of the board in accordance with its bylaws, provided that the board shall have no fewer than nine directors and no more than 15 directors and that a decrease in size does not eliminate the then current term of any director.

(d) Advisory Committee. -- An advisory committee shall be formed to (i) develop, subject to the approval of the Attorney General, the criteria for selection of the Foundation's initial board of directors and (ii) nominate candidates for the initial board of directors. The advisory committee shall be comprised of the following 11 members: three representatives of the business community selected by North Carolina Citizens for Business and Industry, three representatives of the public and private medical school community selected by The University of North Carolina Board of Governors, three representatives of private foundations and other nonprofit organizations selected by the North Carolina Center for Nonprofits, a representative of the North Carolina Association of Hospitals and Health Care Networks, and a representative of the North Carolina Medical Society. After receiving a copy of the proposed plan of conversion, the Attorney General shall immediately notify these organizations, and the advisory committee shall be constituted within 45 days thereafter.

The advisory committee's criteria shall ensure an open recruitment process for the directors. The advisory committee shall nominate 22 residents of North Carolina for the 11 positions to be filled by the Attorney General. The Attorney General shall

retain an independent executive recruiting firm or firms to assist the advisory committee in its work.

(e) Foundation and New Corporation Independent. -- The Foundation and its directors, officers, and employees shall be and remain independent of the new corporation and its affiliates. No director, officer, or employee of the Foundation shall serve as a director, officer, or employee of the new corporation or any of its affiliates. No director, officer, or employee of the new corporation or any of its affiliates shall serve as a director, officer, or employee of the Foundation. This subsection shall no longer apply after (i) 10 years following the effective date of the conversion or (ii) the divestment by the Foundation of at least ninety-five percent (95%) of the stock of the new corporation received pursuant to G.S. 58-65-132(a)(7)a. and subsection (a) of this section, whichever occurs later.

(f) Voting and Stock Registration Agreement. -- The Foundation and the new corporation shall operate under a voting agreement and a stock registration agreement, approved by the Commissioner and the Attorney General, that provides at a minimum for the following:

(1) The Foundation will vote the common stock in the new corporation for directors of the new corporation nominated by the board of directors of the new corporation to the extent provided by the terms of the voting agreement.

(2) The voting restrictions will not apply to common stock of the new corporation sold by the Foundation.

(3) The board of directors of the new corporation will determine the timing of any initial public offering of the new corporation's common stock, either by the new corporation or by the Foundation, and the Foundation shall have demand registration rights and optional "piggy-back" or "incidental" registration rights in connection with any offerings of the new corporation's common stock by the new corporation, on the terms and conditions set forth in a stock registration agreement and agreed upon by the new corporation and the Foundation and approved by the Commissioner and the Attorney General.

(4) The voting agreement may contain additional terms, including (i) voting and ownership restrictions with regard to the common stock of the new corporation and (ii) provisions for the voting or registration for sale of any common stock to be issued to the Foundation by the new corporation.

(g) Costs. -- The corporation shall pay the reasonable expenses of the advisory committee and executive search firm and the costs of any consultants, experts, or other professional advisors retained by the Attorney General incident to review under this section.

(h) Attorney General's Approval. -- Before the Commissioner approves a plan of conversion pursuant to G.S. 58-65-132, the Attorney General, on behalf of the public and charitable interests in this State, must approve the determination relating to the fair market value of the corporation under G.S. 58-65-132(a)(7), the articles of incorporation and bylaws of the foundation, and all proposed agreements between the new corporation and the Foundation, including stock voting or registration agreements. The Attorney General may seek advice on these matters from consultants, investment bankers, and other professional advisors engaged by the

Commissioner or Attorney General incident to review of the plan. The proposed articles of incorporation of the Foundation shall provide for all of the following:

(1) State that the Foundation is organized and operated exclusively for charitable purposes and for the promotion of social welfare.

(2) State that no part of the net earnings of the Foundation shall inure to the benefit of any private shareholder or individual.

(3) State that the Foundation shall not engage in any political campaign activity or the making of political contributions.

(4) Prohibit the Foundation from paying or incurring any amount that, if paid by an organization classified as a "private foundation" under section 509(a) of the Code, would constitute a "taxable expenditure" as defined by sections 4945(d)(1) and (2) of the Code.

(5) Prohibit the Foundation from engaging in any self-dealing for the benefit of its directors, officers, or employees.

(6) Provide for an ongoing community advisory committee to offer broad public input to the Foundation concerning its operations and activities.

(7) Provide that the Foundation, after its first three years of operation, will pay out the lesser of (i) "qualifying distributions" of "distributable amounts," as defined in section 4942 of the Code, as if the Foundation were classified as a private Foundation subject to the distribution requirements, but not the taxes imposed, under that section or (ii) substantially all of its income, less qualifying expenses. In no event shall the Foundation be required to invade its corpus to meet the distribution requirements under this subdivision.

(8) State that provisions in the articles of incorporation that are either required by this subdivision or designated by the Attorney General cannot be amended without the prior written approval of the Attorney General.

Within 120 days of the end of its fiscal year, the Foundation shall provide the Attorney General, the Commissioner, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate its State and federal tax returns for the preceding fiscal year. The tax returns shall be made available for public inspection."

Section 3. G.S. 58-65-160 is repealed.

Section 4. This act is effective when it becomes law.

With unanimous consent, on motion of Senator Rand, the Conference Report is placed on the Calendar for Monday, May 18, for adoption.

INTRODUCTION OF BILLS

Bills filed for introduction are presented to the Senate, read the first time, and disposed of, as follows:

By Senators Moore and Garwood:

S.B. 1115, A BILL TO BE ENTITLED AN ACT RELATING TO THE

GOVERNANCE OF ALEXANDER COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Moore and Garwood:

S.B. 1116, A BILL TO BE ENTITLED AN ACT RELATING TO THE GOVERNANCE OF AVERY COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Moore and Garwood:

S.B. 1117, A BILL TO BE ENTITLED AN ACT RELATING TO THE GOVERNANCE OF BURKE COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Moore and Garwood:

S.B. 1118, A BILL TO BE ENTITLED AN ACT RELATING TO THE GOVERNANCE OF CALDWELL COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Moore and Garwood:

S.B. 1119, A BILL TO BE ENTITLED AN ACT RELATING TO THE GOVERNANCE OF MITCHELL COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Moore and Garwood:

S.B. 1120, A BILL TO BE ENTITLED AN ACT RELATING TO THE GOVERNANCE OF WILKES COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Moore and Garwood:

S.B. 1121, A BILL TO BE ENTITLED AN ACT RELATING TO THE GOVERNANCE OF YADKIN COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Weinstein:

S.B. 1122, A BILL TO BE ENTITLED AN ACT TO RECODIFY EXISTING BINGO STATUTES AND TO REGULATE COMMERCIAL BINGO.

Referred to **Commerce Committee**.

By Senators Forrester and Hoyle:

S.B. 1123, A BILL TO BE ENTITLED AN ACT ABOLISHING THE OFFICE OF CORONER IN GASTON COUNTY.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senators Hartsell, Winner, Lee, Cochrane, Dalton, Garwood and Rucho:

S.B. 1124, A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO EMPLOY TEACHERS WHO ARE LEGALLY CERTIFICATED IN ANOTHER STATE EVEN THOUGH THEY MAY NOT BE CERTIFICATED IN NORTH CAROLINA.

Referred to **Education/Higher Education Committee**.

By Senators Lucas, Winner, Lee, Allran, Dalton, Dannelly, Forrester, Foxx, Gulley, Hoyle, Kinnaird, Martin of Guilford, Rucho, Shaw of Cumberland and Weinstein:

S.B. 1125, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO AMEND VARIOUS EDUCATION LAWS.

Referred to **Education/Higher Education Committee**.

By Senators Lee, Winner, Dalton, Dannelly, Forrester, Garwood, Hartsell, Hoyle, Jordan, Kinnaird, Lucas, Odom, Phillips, Reeves, Rucho and Wellons:

S.B. 1126, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO REVISE THE TEACHER COMPETENCY TESTING PROVISIONS OF THE EXCELLENT SCHOOLS ACT.

Referred to **Education/Higher Education Committee**.

By Senators Lee, Winner, Dalton, Dannelly, Garwood, Hartsell, Lucas, Odom, Reeves and Rucho:

S.B. 1127, A BILL TO BE ENTITLED AN ACT TO PROVIDE INCENTIVES TO PRINCIPALS WHO GO TO LOW-PERFORMING SCHOOLS AND TO PRINCIPALS WHOSE LOW-PERFORMING SCHOOLS MAKE IMPROVEMENT.

Referred to **Education/Higher Education Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senators Winner, Lee, Dalton, Dannelly, Garwood, Hartsell, Perdue, Purcell, Reeves and Rucho:

S.B. 1128, A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS TO ADMINISTER STANDARDIZED TESTS IN GRADES K-2.

Referred to **Education/Higher Education Committee**.

By Senators Winner, Lee, Dalton, Dannelly, Garwood, Hartsell, Purcell, Reeves and Rucho:

S.B. 1129, A BILL TO BE ENTITLED AN ACT TO AMEND THE STATUTES GOVERNING THE CONSEQUENCES FOR PRINCIPALS IN SCHOOLS IDENTIFIED AS LOW-PERFORMING UNDER THE ABC'S PLAN, AND TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO DEVELOP PLANS TO ADDRESS THE NEEDS OF LOW-PERFORMING SCHOOLS.

Referred to **Education/Higher Education Committee**.

By Senator Allran:

S.B. 1130, A BILL TO BE ENTITLED AN ACT TO IMPROVE AND MODERNIZE THE TORRENS LAND TITLE REGISTRATION PROCEDURES OF THE STATE.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Martin of Pitt:

S.B. 1131, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO NORTH CAROLINA TECHNOLOGICAL DEVELOPMENT AUTHORITY, INC., FOR THE CONSTRUCTION AND RENOVATION OF BUILDINGS.

Referred to **Appropriations Committee**.

COMMITTEE REFERRAL

S.B. 1114, A BILL TO BE ENTITLED AN ACT TO REENACT THE 1986 LAW PROVIDING FOR RISK-SHARING PLANS, TO AMEND THE IMMUNITY STATUTES FOR THE FAIR AND BEACH PLANS, AND TO MAKE A TECHNICAL AMENDMENT IN THE BEACH PLAN LAWS, ordered held in the Office of the Principal Clerk on Wednesday, May 13, pending referral to committee.

Pursuant to Rule 43, Senator Rand, Chairman of the **Rules and Operations of the Senate Committee**, refers the bill to the **Commerce Committee**.

On motion of Senator Basnight, seconded by Senator Reeves, the Senate adjourns at 11:40 A.M. to meet Monday, May 18, at 6:00 P.M.

ONE HUNDRED TWENTY-EIGHTH DAY

Senate Chamber
Monday, May 18, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

" 'My Daddy was a fair man when it came to work,' reflected a young man who grew up on a farm in North Carolina. 'He only required us kids to work half a day--he even let us choose which 12 hours we wanted to work!'

"Help each of us to practice such a work ethic this week as we present ourselves to You, Oh God, workers who have no need to be ashamed, rightly explaining the word of truth. For Your sake, Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator Dalton, Senator East, Senator Hoyle, Senator Kinnaird, and Senator Winner.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, May 14, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Jacob Woodrow Whitener, Jr. from Hickory, North Carolina, who is serving the Senate as Doctor of the Day, and to Becky Pitts from Asheville, North Carolina, who is serving the Senate as Nurse of the Day.

INTRODUCTION OF BILLS AND RESOLUTIONS

Bills and resolutions filed for introduction are presented to the Senate, read the first time, and disposed of, as follows:

By Senator Perdue:

S.B. 1132, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR SENIOR CENTERS.

Referred to **Appropriations Committee.**

By Senator Perdue:

S.B. 1133, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR IN-HOME CARE AND COMMUNITY-BASED SERVICES FOR THE AGING.

Referred to **Appropriations Committee.**

By Senator Perdue:

S.B. 1134, A BILL TO BE ENTITLED AN ACT TO PROVIDE THE PROCEDURES FOR TRAFFIC STOPS AT NIGHT AND TO APPROPRIATE FUNDS TO INFORM THE GENERAL PUBLIC AND LAW ENFORCEMENT OFFICERS ABOUT THE NEW PROCEDURES.

Referred to the **Judiciary Committee** and upon a favorable report, re-referred to the **Appropriations Committee**.

By Senator Hoyle:

S.B. 1135, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE TO ALLOW SHARED TENANT PROVIDERS TO OBTAIN LINE ACCESS FROM ANY CERTIFICATED LOCAL PROVIDER OF TELEPHONE SERVICE.

Referred to **Commerce Committee**.

By Senator Martin of Pitt:

S.B. 1136, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO SUPPORT PROGRAMS OF THE NORTH CAROLINA TECHNOLOGICAL DEVELOPMENT AUTHORITY, INC.

Referred to **Appropriations Committee.**

By Senators Plyler, Purcell and Gulley:

S.B. 1137, A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE VILLAGE OF WESLEY CHAPEL.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Hartsell:

S.B. 1138, A BILL TO BE ENTITLED AN ACT TO ALLOW MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE CREDIT FOR PROBATIONARY EMPLOYMENT WITH A LOCAL GOVERNMENT.

Referred to **Pensions & Retirement and Insurance Committee**.

By Senators Hartsell, Winner and Lee:

S.B. 1139, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO MAKE TECHNICAL, CONFORMING, AND CLARIFYING CHANGES TO G.S. 115C-325.

Referred to **Education/Higher Education Committee**.

By Senators Lee and Winner:

S.B. 1140, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO ALLOW LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE SINGLE-PRIME BIDDING, MULTI-PRIME BIDDING, OR BOTH, FOR CONSTRUCTION PROJECTS OVER FIVE HUNDRED THOUSAND DOLLARS.

Referred to **Commerce Committee.**

By Senators Jordan and Horton:

S.B. 1141, A BILL TO BE ENTITLED AN ACT TO MAKE CERTAIN CHANGES TO REGULATIONS REGARDING CEMETERIES TO PROVIDE FOR CONSUMER PROTECTION, AS RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION'S STUDY COMMITTEE ON CEMETERY ISSUES.

Referred to **Commerce Committee.**

By Senators Ledbetter, Clark, Garwood, Horton, McDaniel, Moore, Page and Shaw of Guilford:

S.B. 1142, A BILL TO BE ENTITLED AN ACT TO REQUIRE LOCAL GOVERNMENTS TO PUBLICIZE THE REVENUE NEUTRAL TAX RATE IN THE YEARS WHEN THERE IS A GENERAL REVALUATION OF REAL PROPERTY, AND TO NOTIFY PERSONS SUBJECT TO ANNEXATION OF THE PROJECTED CHANGE TO THEIR PROPERTY TAX LIABILITY.

Referred to **State Government, Local Government, and Personnel Committee** and upon a favorable report, re-referred to the **Finance Committee.**

By Senators Martin of Pitt and Rand:

S.J.R. 1143, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A BILL TO BE ENTITLED AN ACT TO EXEMPT INSTITUTIONALIZED ADULTS FROM THE BIOMETRICS RECIPIENT IDENTIFICATION REQUIREMENT OF THE WORK FIRST PROGRAM.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Martin of Pitt and Rand:

S.B. 1144, A BILL TO BE ENTITLED AN ACT TO EXEMPT INSTITUTIONALIZED ADULTS FROM THE BIOMETRICS RECIPIENT IDENTIFICATION REQUIREMENT OF THE WORK FIRST PROGRAM.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Cochrane, Carpenter, Dannelly, Martin of Pitt, Purcell, Clark, East, Forrester, Foxx, Garwood, Hoyle, Ledbetter, Page, Rucho and Warren:

S.B. 1145, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR SENIOR CENTERS.

Referred to **Appropriations Committee.**

By Senators Cochrane, Carpenter, Dannelly, Martin of Pitt, Purcell, Clark, East, Forrester, Foxx, Garwood, Hoyle, Ledbetter, Page, Rucho and Warren:

S.B. 1146, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR CAPITAL IMPROVEMENTS FOR SENIOR CENTERS.

Referred to **Appropriations Committee.**

By Senators Cochrane, Carpenter, Dannelly, Martin of Pitt, Purcell, Clark, East, Forrester, Foxx, Garwood, Hoyle, Page, Rucho and Warren:

S.B. 1147, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO PROVIDE MEDICAID BENEFITS TO CERTAIN AGED AND DISABLED PERSONS.

Referred to **Appropriations Committee.**

By Senators Cochrane, Carpenter, Dannelly, Martin of Pitt, Purcell, Clark, East, Forrester, Garwood, Hoyle, Ledbetter, Page, Rucho and Warren:

S.B. 1148, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE AREA AGENCIES ON AGING.

Referred to **Appropriations Committee.**

By Senators Carpenter, Clark, Cochrane, Dannelly, Forrester, Foxx, Garwood, Ledbetter, Lucas, Martin of Guilford, Martin of Pitt, Page and Purcell:

S.B. 1149, A BILL TO BE ENTITLED AN ACT TO REPEAL THE REQUIREMENT PERTAINING TO THE REIMBURSEMENT RATE FOR THE RESPITE CARE PROGRAM.

Referred to **Appropriations Committee.**

By Senators Dalton, Winner, Lee, Ballance, Blust, Hartsell, Jenkins, Jordan, Kinnaird, Lucas, Odom, Phillips, Reeves, Weinstein and Wellons:

S.B. 1150, A BILL TO BE ENTITLED AN ACT TO MAKE PERMANENT THE REQUIREMENT THAT COUNTIES USE PART OF THE TWO HALF-CENT LOCAL SALES TAX PROCEEDS ONLY FOR PUBLIC SCHOOL CAPITAL OUTLAY PURPOSES.

Referred to **Education/Higher Education Committee.**

By Senators Dalton, Winner, Lee, Ballance, Blust, Hartsell, Jenkins, Jordan, Kinnaird, Ledbetter, Lucas, Odom, Phillips, Shaw of Cumberland, Weinstein and Wellons:

S.B. 1151, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO INCREASE PURCHASING FLEXIBILITY FOR ALL PUBLIC SCHOOLS.

Referred to **Education/Higher Education Committee.**

By Senators Plyler, Albertson, Ballance, Carrington, Garwood, Jenkins and Purcell:

S.B. 1152, A BILL TO BE ENTITLED AN ACT TO REVISE THE ELIGIBILITY REQUIREMENTS FOR MEMBERS OF THE LOCAL BOARDS OF TRUSTEES FOR COMMUNITY COLLEGES.

Referred to **Education/Higher Education Committee.**

By Senators Plyler, Albertson, Ballance, Carrington, Garwood, Jenkins and Purcell:

S.B. 1153, A BILL TO BE ENTITLED AN ACT TO PROVIDE COMMUNITY COLLEGES WITH ADDITIONAL PURCHASING FLEXIBILITY.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Plyler, Albertson, Ballance, Carrington, Garwood, Jenkins and Purcell:

S.B. 1154, A BILL TO BE ENTITLED AN ACT TO CLARIFY COMMUNITY COLLEGES' AUTHORITY TO ENTER INTO LEASE PURCHASE AND

INSTALLMENT PURCHASE CONTRACTS FOR EQUIPMENT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Reeves:

S.J.R. 1155, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A BILL TO BE ENTITLED AN ACT TO PERMIT THE STATE TO PROVIDE SCHOOL AND ACTIVITY BUSES FOR THE TRANSPORTATION NEEDS OF THE SPECIAL OLYMPICS.

Referred to **Rules and Operations of the Senate Committee.**

CALENDAR

A bill on tonight's Calendar is taken up and disposed of, as follows:

S.B. 993 (Conference Report), A BILL TO BE ENTITLED AN ACT TO ESTABLISH PROCEDURES FOR CONVERSIONS BY HOSPITAL, MEDICAL, AND DENTAL SERVICE CORPORATIONS, for adoption.

On motion of Senator Rand, the Senate adopts the Conference Report (42-1).

The Chair orders a message sent to the House of Representatives informing that Honorable Body of such action.

REPORT OF COMMITTEE

A standing committee report is submitted out of the regular order of business, a bill is read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Cooper for the **Judiciary Committee**:

H.B. 579 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE INITIAL ELECTION OF THE ALAMANCE-BURLINGTON BOARD OF EDUCATION SHALL BE HELD IN 1997, unfavorable as to Committee Substitute bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the Senate Committee Substitute bill 8284, which proposes to change the title, upon concurrence, to read **H.B. 579** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE CHANGES IN THE CAMPAIGN FINANCE LAWS, is adopted and engrossed.

Upon adoption of the proposed Senate Committee Substitute, the bill becomes a Public Bill.

On motion of Senator Basnight, seconded by Senator Ballantine, the Senate adjourns at 6:28 P.M. to meet tomorrow, Tuesday, May 19, at 3:00 P.M.

ONE HUNDRED TWENTY-NINTH DAY

Senate Chamber
Tuesday, May 19, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, we open every Session in prayer, yet we confess that on some days we must think You uninterested in what goes on here, or worse, that we know more than You about education and budgets or the like.

"Forgive us. Today we claim Your promise: 'If anyone lacks wisdom, let that person ask of God, who gives to all people liberally... and it shall be given.'

"Make us willing to ask for Your wisdom in every matter that faces the Senate and then make us eager to have it. Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Horton.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Monday, May 18, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. David Warner Boone from Raleigh, North Carolina, who is serving the Senate as Doctor of the Day, and to Susan Craven from Ellerbe, North Carolina, who is serving as the Senate Nurse of the Day.

PERSONAL PRIVILEGE

Senator Basnight rises to a point of personal privilege, and with unanimous consent, extends the courtesies of the gallery to visiting high school students from Washington County, North Carolina.

REPORT OF COMMITTEE

A bill is reported from a standing committee, read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Soles for the **Commerce Committee:**

S.B. 1093, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE DEPARTMENT OF ADMINISTRATION TO CERTIFY THE BROAD FEASIBILITY OF STATE CONSTRUCTION PROJECTS AND MAKE THAT CERTIFICATION A PREREQUISITE TO FUNDING, with a favorable report.

INTRODUCTION OF BILLS

Bills filed for introduction are presented to the Senate, read the first time, and disposed of, as follows:

By Senator Weinstein:

S.B. 1156, A BILL TO BE ENTITLED AN ACT TO DEDICATE A PORTION OF COURT COSTS TO PROVIDE ACCESS TO CIVIL JUSTICE.

Referred to **Appropriations Committee**.

By Senator Purcell:

S.B. 1157, A BILL TO BE ENTITLED AN ACT RELATING TO THE SEVENTEENTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Purcell:

S.B. 1158, A BILL TO BE ENTITLED AN ACT RELATING TO THE SEVENTEENTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Purcell:

S.B. 1159, A BILL TO BE ENTITLED AN ACT RELATING TO THE SEVENTEENTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Cooper:

S.B. 1160, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO RENOVATE THE HIGHSMITH UNIVERSITY CENTER AT THE UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE.

Referred to **Appropriations Committee**.

By Senator McDaniel:

S.B. 1161, A BILL TO BE ENTITLED AN ACT RELATING TO THE TWENTIETH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator McDaniel:

S.B. 1162, A BILL TO BE ENTITLED AN ACT RELATING TO THE TWENTIETH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator McDaniel:

S.B. 1163, A BILL TO BE ENTITLED AN ACT RELATING TO THE TWENTIETH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Lee:

S.B. 1164, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR CAPITAL EXPENSES OF THE NORTH CAROLINA HIGH SCHOOL

ATHLETIC ASSOCIATION.

Referred to **Appropriations Committee**.

By Senator Ballance:

S.B. 1165, A BILL TO BE ENTITLED AN ACT TO DEFINE A PROFESSIONAL FIREFIGHTERS' BENEFITS ACCRUAL RATE FOR MEMBERS AND BENEFICIARIES OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.

Referred to **Pensions & Retirement and Insurance Committee,** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senator Martin of Pitt:

S.B. 1166, A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FARMVILLE.

Referred to **State Government, Local Government, and Personnel Committee** and upon a favorable report, re-referred to the **Finance Committee.**

By Senators Rand and Shaw of Cumberland:

S.B. 1167, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE CONSTRUCTION OF AN EARLY CHILDHOOD EDUCATIONAL CENTER AT FAYETTEVILLE TECHNICAL COMMUNITY COLLEGE.

Referred to **Appropriations Committee**.

By Senator Rand:

S.B. 1168, A BILL TO BE ENTITLED AN ACT RELATING TO THE GOVERNANCE OF CUMBERLAND COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Blust:

S.B. 1169, A BILL TO BE ENTITLED AN ACT TO REDUCE PROPERTY TAXES ON HOMESTEAD PROPERTY, TO ALLOW MORE INDIVIDUALS TO QUALIFY FOR THE HOMESTEAD TAX REDUCTION, AND TO REIMBURSE LOCAL GOVERNMENTS FOR THE RESULTING REVENUE LOSS.

Referred to **Finance Committee**.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 993

House of Representatives
May 18, 1998

Mr. President:

Pursuant to your message that you have adopted the report of the Conferees on Conference Committee Substitute for SB 993, A BILL TO BE ENTITLED AN ACT TO ESTABLISH PROCEDURES FOR CONVERSIONS BY HOSPITAL, MEDICAL, AND DENTAL SERVICE CORPORATIONS, it is ordered that a message be sent your

Honorable Body with the information that the House has adopted the report of the Conferees, and you may order the bill enrolled.

Respectfully,
S/Denise Weeks
Principal Clerk

The President orders the bill enrolled and sent to the Governor.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.B. 989 House of Representatives
May 18, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House fails to concur in the Senate Committee Substitute for HB 989, A BILL TO BE ENTITLED AN ACT TO REMOVE THE FEE FOR THE SCHOOL ADMINISTRATORS' EXAM, and requests conferees. The Speaker has appointed:

Representative Arnold
Representative Preston, and
Representative Rogers

on the part of the House to confer with a like committee appointed by the Senate to the end that the differences arising may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

RESOLUTION FROM ANOTHER STATE

The following resolution is received from another legislative body, presented to the Senate, and ordered placed on file in the Office of the Principal Clerk:

STATE OF ALABAMA HOUSE OF REPRESENTATIVES, RESOLUTION 261, A RESOLUTION URGING CONGRESS TO ADOPT AN AMENDMENT TO THE CONSTITUTION ON THE SUBJECT OF JUDICIAL TAXATION. (*See Appendix.*)

INTRODUCTION OF A BILL

Senator Cooper offers a motion that Rule 40 be suspended to allow the introduction of the following bill, which motion prevails by a two-thirds majority vote.

By Senator Cooper:

S.B. 1185, A BILL TO BE ENTITLED AN ACT TO DIVIDE NORTH CAROLINA

INTO TWELVE CONGRESSIONAL DISTRICTS.

Referred to **Select Committee on Congressional Redistricting**.

CALENDAR

A bill on today's Calendar is taken up and disposed of, as follows:

H.B. 579 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE CHANGES IN THE CAMPAIGN FINANCE LAWS, upon second reading.

Senator Webster rises to a point of order under Rule 57.1 as to the germaneness of the Senate Committee Substitute bill to the original subject matter.

The Senate recesses at 3:25 p.m. to convene at 3:40 p.m. to allow the President of the Senate to consider the question.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

CALENDAR *(Continued)*

H.B. 579 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE CHANGES IN THE CAMPAIGN FINANCE LAWS, upon second reading.

The President rules that the Senate Committee Substitute bill is germane to the original subject matter.

Senator Gulley offers Amendment No. 1, which is adopted (43-4).

With unanimous consent, the President grants a leave of absence for the remainder of today's Session to Senator Kerr.

Senator Webster announces a pair vote: Senator Kerr "aye"; Senator Webster "no".

The Senate Committee Substitute bill, as amended, passes its second reading (29-16).

Senator Webster objects to third reading of the measure. Pursuant to Rule 50, the President orders the measure placed on the Calendar for tomorrow, Wednesday, May 20, upon third reading.

The President recognizes the following pages serving in the Senate this week:

Anna Michelle Brechtelsbauer, Pinehurst; Garrett Hart Brooks, Zebulon; Paul Joseph Curry, Angier; James Benjamin Garner, Wake Forest; Jonathan A. Garner, Wake Forest; Susan Leigh Gupton, Louisburg; William Jesse Hardison, Dunn; Laura Kathryn Harvey, Cary; Bethany Innes, Cary; Christy McBride, Eden; Catherine Campbell McMillan, Raleigh; Renee L. Perry, Edenton; Shanda Lynn Rorrer, Mt. Olive; Iris Emille Rowe, Maiden; Laura Katherine Spruill, Bunnlevel; Katharine Vess, Pinehurst; and Anne Elizabeth Wilson, Raleigh.

APPOINTMENT OF CONFERENCE COMMITTEE

H.B. 989, A BILL TO BE ENTITLED AN ACT TO REMOVE THE FEE FOR THE SCHOOL ADMINISTRATORS' EXAM.

Pursuant to the receipt of a message from the House of Representatives that the House fails to concur in the Senate Committee Substitute for H.B. 989 and requests conferees,

Senator Basnight offers a motion that the Senate appoint conferees, which motion prevails.

The President *Pro Tempore* announces the appointment of Senator Dalton, Chairman, Senator Garwood and Senator Winner as conferees on the part of the Senate to act with a like committee from the House of Representatives to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

PERSONAL PRIVILEGE

Senator Basnight rises to a point of personal privilege and announces that Senator Rand recently received the "Outstanding Alumni Award" from the University of North Carolina at Chapel Hill.

ADDITIONAL SPONSOR

Senator Dalton requests to be added as a sponsor of previously introduced legislation:

S.B. 1132, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR SENIOR CENTERS.

On motion of Senator Basnight, seconded by Senator Moore, the Senate adjourns at 4:55 P.M. to meet tomorrow, Wednesday, May 20, at 2:00 P.M.

ONE HUNDRED THIRTIETH DAY

Senate Chamber
Wednesday, May 20, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"God of actions, we have great intentions, but our calendars fill up so quickly, priority lists change almost hourly. Forgive us for getting to the end of a day so weary, and finding out that the things undone, like righting a wrong relationship, calling a family member, getting to know You better, Oh God, were more important than all the great tasks we accomplished.

"We believe we can be the people You called us to be - but only to a point. We forget - we reprioritize - we fall short - Lord, we believe, help our unbelief. Turn our meaning to's into actions and commitment, today. In Your Name we pray, Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Horton and Senator Wellons.

The President of the Senate acknowledges Senator Horton's presence in the Chamber and the leave of absence granted previously is withdrawn.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Tuesday, May 19, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Helen Wackerhagen from Henderson, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 993, AN ACT TO ESTABLISH PROCEDURES FOR CONVERSIONS BY HOSPITAL, MEDICAL, AND DENTAL SERVICE CORPORATIONS.

REPORTS OF COMMITTEES

A bill and resolutions are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Rand for the **Rules and Operations of the Senate Committee**:

S.J.R. 1155, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A BILL TO BE ENTITLED AN ACT TO PERMIT THE STATE TO PROVIDE SCHOOL AND ACTIVITY BUSES FOR THE TRANSPORTATION NEEDS OF THE SPECIAL OLYMPICS, with a favorable report.

On motion of Senator Rand, the rules are suspended to the end that S.J.R. 1155 be placed on the Calendar for today for consideration.

S.J.R. 1143, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A BILL TO BE ENTITLED AN ACT TO EXEMPT INSTITUTIONALIZED ADULTS FROM THE BIOMETRICS RECIPIENT IDENTIFICATION REQUIREMENT OF THE WORK FIRST PROGRAM, with a favorable report.

On motion of Senator Rand, the rules are suspended to the end that S.J.R. 1143 be placed on the Calendar for today for consideration.

By Senator Winner for the **Education/Higher Education Committee**:

S.B. 1126, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO REVISE THE TEACHER COMPETENCY TESTING PROVISIONS OF THE EXCELLENT SCHOOLS ACT, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 8772 is adopted and engrossed.

REPORT OF SELECT COMMITTEE

A bill is reported from a select committee, read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Cooper for the **Congressional Redistricting Committee**:

S.B. 1185, A BILL TO BE ENTITLED AN ACT TO DIVIDE NORTH CAROLINA INTO TWELVE CONGRESSIONAL DISTRICTS, unfavorable as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 6792 is adopted and engrossed.

Upon motion of Senator Purcell of Scotland County, the President of the Senate extends the courtesies of the gallery to Rhonda and Amanda Johnson, Nicole Bradley, and the fourth grade class of E. M. Holt Elementary School of Alamance, North Carolina.

INTRODUCTION OF BILLS AND A RESOLUTION

Bills and a resolution filed for introduction are presented to the Senate, read the first time, and disposed of, as follows:

By Senators Reeves, Martin of Guilford and Rucho:

S.B. 1170, A BILL TO BE ENTITLED AN ACT TO FACILITATE ELECTRONIC COMMERCE WITH AND BY PUBLIC ENTITIES OF THE STATE OF NORTH CAROLINA BY RECOGNIZING THE VALIDITY OF ELECTRONIC SIGNATURES AND BY AUTHORIZING THE SECRETARY OF STATE TO REGULATE ELECTRONIC SIGNATURES AND CERTIFICATION AUTHORITIES.

Referred to **Commerce Committee.**

By Senators Foxx, Ballantine, Blust, Carpenter, Cochrane, Forrester, Horton, Jenkins, Kerr, Ledbetter, McDaniel, Purcell, Rucho and Webster:

S.B. 1171, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE TO MODIFY BUILDING FOUNDATION SETBACK REQUIREMENTS AND TO ESTABLISH MONITORING REQUIREMENTS FOR EXISTING WATER SUPPLY WELLS SERVING FOSTER CARE HOMES, THERAPEUTIC HOMES FOR CHILDREN AND ADOLESCENTS, AND BED AND BREAKFAST HOMES AND INNS.

Referred to **Commerce Committee.**

By Senator Perdue:

S.B. 1172, A BILL TO BE ENTITLED AN ACT TO ENSURE FISCAL RESPONSIBILITY AND EFFICIENCY BY ESTABLISHING ETHICAL REQUIREMENTS AND GUIDELINES, AND PROVIDING FUNDS NECESSARY TO IMPLEMENT THESE REQUIREMENTS.

Referred to **Judiciary Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senator Perdue:

S.B. 1173, A BILL TO BE ENTITLED AN ACT TO REFORM THE BOARD OF TRANSPORTATION BY ALTERING ITS GOVERNANCE STRUCTURE, AUTHORIZING A NEW ETHICS POLICY, AND TRANSFERRING FUNDS AS NECESSARY TO IMPLEMENT THE MODIFICATIONS.

Referred to **Judiciary Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senator Perdue:

S.B. 1174, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO SUPPORT LONG-TERM CARE SYSTEM REFORM.

Referred to **Appropriations Committee**.

By Senator Perdue:

S.B. 1175, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Perdue:

S.B. 1176, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Perdue:

S.B. 1177, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Perdue:

S.B. 1178, A BILL TO BE ENTITLED AN ACT TO AMEND THE LOCAL LAWS CONCERNING THE THIRD SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Ballance:

S.B. 1179, A BILL TO BE ENTITLED AN ACT TO IMPROVE THE STATE COURT SYSTEM BY IMPLEMENTING CERTAIN RECOMMENDATIONS OF THE COMMISSION FOR THE FUTURE OF JUSTICE AND THE COURTS IN NORTH CAROLINA AND TO MAKE OTHER CHANGES IN THE OPERATIONS OF THE COURTS.

Referred to **Judiciary Committee**.

By Senators Warren, Albertson, Dalton, Odom, Phillips, Plyler, Shaw of Cumberland, Weinstein and Wellons:

S.B. 1180, A BILL TO BE ENTITLED AN ACT TO INCLUDE COUNTY FIRE MARSHALS IN THE FIREMEN'S AND RESCUE SQUAD WORKERS' PENSION FUND AND TO INCREASE THE MONTHLY PENSION FOR MEMBERS OF THE FIREMEN'S AND RESCUE SQUAD WORKERS' PENSION FUND.

Referred to **Pensions & Retirement and Insurance Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senators Warren and Soles:

S.B. 1181, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO SUPPORT THE EASTERN NORTH CAROLINA LOCAL GOVERNMENT

PLANNING ASSISTANCE RESOURCES INITIATIVE.

Referred to **Appropriations Committee**.

By Senators Rand and Ballance:

S.B. 1182, A BILL TO BE ENTITLED AN ACT TO REPEAL THE SUNSET ON CHILD SUPPORT FEDERAL REQUIREMENTS IN ORDER TO AVOID LOSS OF FEDERAL FUNDS FOR THE 1998-99 FISCAL YEAR UNDER THE CHILD SUPPORT IV-D ENFORCEMENT PROGRAM AND UNDER THE TEMPORARY ASSISTANCE TO NEEDY FAMILIES FEDERAL BLOCK GRANT.

Referred to **Judiciary Committee**.

By Senator Rand:

S.B. 1183, A BILL TO BE ENTITLED AN ACT TO ALLOW THE PUBLIC WORKS COMMISSION OF THE CITY OF FAYETTEVILLE TO PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.

Referred to **Pensions & Retirement and Insurance Committee**.

By Senator Rand:

S.B. 1184, A BILL TO BE ENTITLED AN ACT RELATING TO THE CITY OF FAYETTEVILLE.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Ballance and Odom:

S.B. 1186, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A RECOMMENDATION OF THE LEGISLATIVE RESEARCH COMMISSION'S COMMITTEE ON THE FUTURE OF THE COURTS TO INCREASE THE NUMBER OF JUDICIAL DIVISIONS IN THE STATE IN ORDER TO ESTABLISH PILOT JUDICIAL CIRCUITS AND EVALUATE THE CIRCUIT COURT RECOMMENDATIONS MADE BY THE COMMISSION FOR THE FUTURE OF JUSTICE AND THE COURTS IN NORTH CAROLINA.

Referred to **Judiciary Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senator Jordan:

S.B. 1187, A BILL TO BE ENTITLED AN ACT TO AMEND THE MOTOR VEHICLE LAWS TO CONFORM WITH FEDERAL LAW AND TO MAKE OTHER TECHNICAL CHANGES.

Referred to **Transportation Committee**.

By Senators Martin of Guilford, Cochrane, Foxx, Reeves, Rucho and Warren:

S.B. 1188, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR "BEST VALUE" INFORMATION TECHNOLOGY PROCUREMENTS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Rand, Allran, Ballantine, Blust, Carpenter, Carrington, Cochrane, Cooper, East, Forrester, Foxx, Garwood, Horton, Jenkins, Jordan, Kerr, Kinnaird, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue,

Phillips, Plyler, Purcell, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren and Weinstein:

S.R. 1189, A RESOLUTION RECOGNIZING THE HISTORIC ACCOMPLISHMENTS OF THE SIR WALTER CABINET AND CONGRATULATING THE ORGANIZATION ON ITS SEVENTY-FIFTH ANNIVERSARY.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Plyler:

S.B. 1190, A BILL TO BE ENTITLED AN ACT RELATING TO THE SEVENTEENTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Plyler:

S.B. 1191, A BILL TO BE ENTITLED AN ACT RELATING TO THE SEVENTEENTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Plyler:

S.B. 1192, A BILL TO BE ENTITLED AN ACT RELATING TO THE SEVENTEENTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Plyler, Perdue, Purcell and Odom:

S.B. 1193, A BILL TO BE ENTITLED AN ACT TO MAKE AN EMERGENCY APPROPRIATION, ON THE REQUEST OF THE GOVERNOR, TO COVER THE COSTS OF THE YEAR 2000 CONVERSION IN ALL STATE DEPARTMENTS AND AGENCIES.

Referred to **Appropriations Committee**.

Upon motion of Senator Shaw of Guilford, the President of the Senate extends the courtesies of the gallery to Ms. Linda Shaw and constituents of Guilford County.

Upon motion of Senator Odom, the President of the Senate extends the courtesies of the gallery to the North Carolina Humanities Council.

CALENDAR

Bills and resolutions on today's Calendar are taken up and disposed of, as follows:

S.B. 1093, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE DEPARTMENT OF ADMINISTRATION TO CERTIFY THE BROAD FEASIBILITY OF STATE CONSTRUCTION PROJECTS AND MAKE THAT CERTIFICATION A PREREQUISITE TO FUNDING, upon second reading.

The bill passes its second (48-0) and third readings and is ordered sent to the House of Representatives.

S.J.R. 1143, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A BILL TO BE ENTITLED AN ACT TO EXEMPT INSTITUTIONALIZED ADULTS FROM BIOMETRICS

RECIPIENT IDENTIFICATION REQUIREMENT OF THE WORK FIRST PROGRAM, placed earlier on the Calendar for today for second reading.

The Joint Resolution passes its second (48-0) and third readings and is ordered, without objection, sent to the House of Representatives by special messenger.

S.J.R. 1155, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A BILL TO BE ENTITLED AN ACT TO PERMIT THE STATE TO PROVIDE SCHOOL AND ACTIVITY BUSES FOR THE TRANSPORTATION NEEDS OF THE SPECIAL OLYMPICS, placed earlier on the Calendar for today for second reading.

The Joint Resolution passes its second (45-0) and third readings and is ordered, without objection, sent to the House of Representatives by special messenger.

H.B. 579 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE CHANGES IN THE CAMPAIGN FINANCE LAWS, as amended, on today's Calendar, upon third reading.

Senator Webster offers a motion that the Senate Committee Substitute bill be postponed until tomorrow, Thursday, May 21. A division is called and the motion fails to prevail (20-29).

Senator Blust offers Amendment No. 2 which fails of adoption (20-29).

Senator Webster offers Amendment No. 3.

Senator Webster calls the previous question on Amendment No. 3. The Chair rules that the motion dies for lack of a second.

Senator Webster calls the previous question on Amendment No. 3 again, seconded by Senator Forrester. The Chair rules that a second motion for the call for the previous question on Amendment No. 3 is not eligible.

Senator Gulley offers a motion that Amendment No. 3 do lie upon the table, seconded by Senator Cooper. The motion prevails (29-20) and Amendment No. 3 lies upon the table.

Senator Gulley calls the previous question on the Senate Committee Substitute for H.B. 579, seconded by Senator Winner.

Senator Rucho announces a pair: Senator Wellons "aye" and Senator Rucho "no."

The Senate Committee Substitute bill, as amended, passes its third reading (29-19), and is ordered engrossed and sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

On motion of Senator Basnight, seconded by Senator Lucas, the Senate adjourns at 3:08 P.M. to meet tomorrow, Thursday, May 21, at 11:00 A.M.

ONE HUNDRED THIRTY-FIRST DAY

Senate Chamber
Thursday, May 21, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Oh God, whose shadow stretches over us like the cooling branches of a summer tree. Gather us now as children who seek new answers. Lift us up in hope and power and let our very lives be the voice of Your desire for justice and Your Will for peace in our world. In Your name we pray. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Shaw of Guilford, Senator Weinstein, and Senator Wellons.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Wednesday, May 20, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. John Gary Maxwell from Wilmington, North Carolina, who is serving the Senate as Doctor of the Day.

The President of the Senate extends courtesies of the gallery to Senator Cooper's father, Mr. Roy A. Cooper and to Mr. Cooper's law partner, Mr. Milton Fields.

PERSONAL PRIVILEGE

Senator Basnight, President *Pro Tempore*, rises to a point of personal privilege, and extends the courtesies of the gallery to the faculty and eighth grade students from Manteo Middle School.

INTRODUCTION OF BILLS AND RESOLUTIONS

Bills and resolutions filed for introduction are presented to the Senate, read the first time, and disposed of, as follows:

By Senators Albertson, Ballance, Dannelly, Jordan, Kerr, Martin of Pitt, Perdue, Plyler, Purcell, Warren and Weinstein:

S.B. 1194, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR SEAFOOD AND AQUACULTURE MARKETING.

Referred to **Appropriations Committee**.

By Senators Albertson, Ballance, Dannelly, Jordan, Kerr, Martin of Pitt, Plyler, Purcell, Warren and Weinstein:

S.B. 1195, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR SMALL FARM ASSISTANCE.

Referred to **Appropriations Committee**.

By Senators Albertson, Ballance, Cochrane, Dannelly, Jordan, Kerr, Martin of Pitt and Warren:

S.B. 1196, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR LOANS TO DAIRY FARMERS.

Referred to **Appropriations Committee**.

By Senators East, Hoyle, Jordan, Odom, Rand and Garwood:

S.B. 1197, A BILL TO BE ENTITLED AN ACT TO EXEMPT FROM INCOME TAX FEDERAL PAYMENTS TO TOBACCO ALLOTMENT HOLDERS, TOBACCO

WORKERS, AND TOBACCO FARMERS AS COMPENSATION FOR LOSSES DUE TO THE FEDERAL TOBACCO SETTLEMENT.

Referred to **Finance Committee**.

By Senators Purcell, Ledbetter, Miller and Odom:

S.B. 1198, A BILL TO BE ENTITLED AN ACT TO REVISE THE MUNICIPAL ANNEXATION LAWS AND TO CHANGE THE CRITERIA TO BE CONSIDERED BY THE JOINT LEGISLATIVE COMMISSION ON MUNICIPAL INCORPORATIONS.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senator Kerr:

S.B. 1199, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE TO DIRECT THE BOARD OF PHARMACY TO REFUND FEES ERRONEOUSLY COLLECTED.

Referred to **Finance Committee**.

By Senator Kerr:

S.B. 1200, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE TO DEFINE PHARMACY PERSONNEL, PHARMACY TECHNICIANS, AND ALLOW THE BOARD OF PHARMACY TO REGISTER PHARMACY TECHNICIANS AND CHARGE A FEE.

Referred to **Finance Committee**.

By Senators Dannelly, Ballance, Hoyle, Jordan, Kerr, Kinnaird, Lucas, Odom, Phillips, Rand, Rucho and Winner:

S.B. 1201, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE EXPANSION OF THE WEST CHARLOTTE MERCHANTS ASSOCIATION'S BUSINESS INCUBATOR PROGRAM.

Referred to **Appropriations Committee**.

Senator Rand offers a motion to suspend Rule 7 to the end that the introduction of the remaining bills and resolutions be placed as the last order of business today, which motion prevails.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A special message is received from the House of Representatives transmitting a bill, which is read the first time and disposed of, as follows:

H.B. 1394, A BILL TO BE ENTITLED AN ACT TO DIVIDE NORTH CAROLINA INTO TWELVE CONGRESSIONAL DISTRICTS.

On motion of Senator Cooper, the rules are suspended, without objection, and the bill is placed on the Calendar for today, immediately following S.B. 1126.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1126 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO REVISE THE TEACHER COMPETENCY TESTING PROVISIONS OF THE EXCELLENT SCHOOLS ACT, upon second reading.

Senator Rucho offers Amendment No. 1 which is adopted (46-1).

The Committee Substitute bill, as amended, passes its second (44-3) and third readings and is ordered engrossed and sent to the House of Representatives.

H.B. 1394, A BILL TO BE ENTITLED AN ACT TO DIVIDE NORTH CAROLINA INTO TWELVE CONGRESSIONAL DISTRICTS, upon second reading, placed earlier on the Calendar for today.

Senator Cooper calls the previous question, seconded by Senator Rand. The call is sustained.

Senator Dalton announces a pair vote: Senator Dalton "aye"; Senator Moore "no".

The bill passes it second (28-17) and third readings and is ordered enrolled.

Senator Allran offers a motion that the vote by which the bill passed its third reading be reconsidered, which motion prevails.

Senator Allran offers a motion that the vote by which the bill passed its second reading be reconsidered, which motion prevails.

Senator Allran announces a pair vote: Senator Wellons "aye"; Senator Allran "no".

Senator Dalton reaffirms the previously announced pair: Senator Dalton "aye'; Senator Moore "no".

The bill passes its second (28-15) and third readings and is ordered enrolled.

S.B. 1185 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DIVIDE NORTH CAROLINA INTO TWELVE CONGRESSIONAL DISTRICTS, upon second reading.

With unanimous consent, on motion of Senator Cooper, the Committee Substitute bill is withdrawn from today's Calendar and is re-referred to the **Select Committee on Congressional Redistricting**.

On motion of Senator Horton, the memorandum dated May 21, 1998, written to Senator Cooper by Gerry F. Cohen, Counsel for the Senate Redistricting Committee, will, without objection, be spread upon the Journal, as follows:

May 21, 1998

MEMORANDUM

TO: Senator Roy Cooper

FROM: Gerry F. Cohen
Counsel, Senate Redistricting Committee

SUBJECT: 98 CONGRESSIONAL PLAN A

As we discussed, I have drafted a proposed Congressional Redistricting Plan, 98 CONGRESSIONAL PLAN A which has five goals:

1) Eliminate the constitutional defects in the 12th Congressional District
2) Change as few districts as possible.
3) Keep the current partisan balance of the delegation.
4) Keep incumbents in separate districts and preserve the cores of those districts.
5) Reduce division of counties and cities, especially where the court found that the division was on racial lines

At the end of this memorandum is the verbatim majority comments of the District Court in *Cromartie v. Hunt* relating to District 12 with a detailed analysis of how 98 CONGRESSIONAL PLAN A responds to and corrects every deficiency found by the court. Some highlights follow directly below this paragraph.

Plaintiff's arguments that in the corridor between Charlotte and Greensboro, precincts were selected on the basis of race played a heavy weight in the rationale of the court. The court in page 9 of the opinion criticized the path of the district from Charlotte to Greensboro as being racially based, picking and choosing black precincts and concentrations in Statesville, Lexington, and Thomasville. This has been eliminated, Lexington is whole in the 12th, none of Statesville and Thomasville are in the 12th. The district no longer twists and turns from Charlotte (opinion page 9 and 10) to its new terminus in Winston-Salem, instead it is quite regular.

On page 7, the court citicizes Davidson, Rowan, and Iredell as narrow corridors which pick up only as many African-Americans as are needed. This is no longer true, there is no picking and choosing based on race, in fact, all of Rowan County is included.

The court criticizes at page 7 the split of Forsyth County into a 12th District that is 72.9% black and a 5th District that is 11.1% black. In the new plan, not only is the part within th 12th district nearly a perfect rectangle, the division is now 61.3% Black in the 12th and 10.41% black in the 5th. West Winston-Salem, which is predominantly white, is excluded from the district as it is the home base of incumbent Richard Burr of the 5th District.

The court notes on page 7 that 75% of the total population of the district comes from the three county parts which are majority African-American, now it is 13% of the total population of the district coming from the one county part (Forsyth) that are majority African-American. 87% of the district will come from Iredell, Rowan, Mecklenburg and Davidson.

Compactness studies done of the new plan (see opinion pages 10-12) by the same expert witness cited by the court show that its compactness is greatly improved over the invalidated plan.

At page 19, the court notes that the 1997 plan shrunk in distance from 160 miles long in 1992 to 95 miles. Under this new plan, the district shrinks again to about 84 miles in length. On page 19, the court again criticizes the paths and detours, none of these criticisms are any longer valid under the proposed plan.

The decision criticizes on pages 8 and 9 the choices of precincts in Mecklenburg County, this plan moves 14 precincts from the 9th to the 12th with the criteria being Democratic voting performance (see below). Racial statistics were not used.

The new plan 98 CONGRESSIONAL PLAN A does the following, compared with the 1997 Plan.:

1) Guilford County is removed entirely from the 12th District;

2) The two precincts in Statesville (Iredell) that are predominantly black are moved from the 12th to the 10th.

3) Rowan County is made whole in the 12th.

4) Lexington (Davidson County) is made nearly whole in the 12th, .while Thomasville (Davidson County) is made whole in the 6th. A total of six precincts in Davidson County are moved from the 6th to the 12th and five precincts are moved from the 12th to the 6th.

5) Additional precincts in Forsyth and Mecklenburg County were added to the 12 th District to counter arguments that assignments were made primarily on the basis of race. In Forsyth County, 5 precincts are moved from the 5th to the 12th. Three of these are on the east and north so as to make the part in Forsyth County nearly a perfect rectangle. No substantial changes were made in western Winston-Salem to move precincts from the 5th to the 12th as this area is within two precincts of incumbent 5th District Representative Richard Burr. In Mecklenburg County, precinct assignments were made with two criteria: Democratic performance in the 1988 Lieutenant Governor's race, and shape. A total of 14 Charlotte city precincts were moved from the 9th to the 12th to meet this objective.

This decreases the minority percentage in the 12th district from 46.67% to 35.58%

Alamance County is made whole in the 5th district. Finally, Alleghany and Ashe Counties were moved from the 5th to the 10th, Lincoln County was moved from the 10th to the 9th, while 11 precincts in Northern Guilford County were moved from the 6th to the 5th District to balance the population.

All of these changes have the effect of making all of the affected districts significantly more compact. The 12th District had consisted of six partial counties, now it will be one whole county and four partial counties.

The court criticized cities that were divided between District 12 and another district. Here is an analysis of the changes between the 1997 Plan and 98 CONGRESSIONAL PLAN A. Any area divided only by a satellite annexation with zero people is counted as a NO. The new plan no longer divides population between the 12th and another district in Greensboro, Lexington, Thomasville Salisbury, Spencer, and Statesville. Newly divided are Kannapolis (along the county line) and Walkertown (along a precinct boundary)

	1997 PLAN	1998 CONGRESSIONAL PLAN A
Charlotte:	YES	YES
Cornelius	YES	YES
Greensboro	YES	NO
High Point	YES	NO
Huntersville	YES	YES
Kannapolis	NO	YES, the part in Rowan County
Lexington	YES	NO*
Mooresville	YES	NO*
Salisbury	YES	NO
Spencer	YES	NO
Statesville	YES	NO

Thomasville	YES	NO
Walkertown	NO	YES
Winston-Salem	YES	YES

* a small satellite annexation with no population is divided from the main part of the city.

On the political side, the following changes appear in the four affected districts. The races are the votes for Democrats Harvey Gantt in 1980, Tony Rand in 1988, and Jack Lewis in 1988

RAND

	1997 plan	1998 Plan A
5th	45.71%	45.09%
6th	41.17%	47.55%
10th	40.03%	40.77%
12th	62.08%	54.64%

GANTT

	1997 plan	1998 Plan A
5th	39.17%	38.37%
6th	37.47%	46.09%
10th	37.37%	37.95%
12th	66.49%	59.22%

LEWIS

	1997 plan	1998 Plan .A
5th	46.53%	45.84%
6th	37.99%	44.37%
10th	39.30%	39.93%
12th	61.54%	53.64%

Analysis of 98 CONGRESSIONAL PLAN
Against the Majority Opinion in Cromartie v. Hunt

In this memorandum, the normal font is quoted verbatim from the majority Memorandum opinion in Cromarite (sic) v. Hunt, filed April 14, 1998. *Material in italics is my commentary based on 98 CONGRESSIONAL PLAN A, which is referred to as the Proposed Plan.*

The current Plan which was invalidated by the district court has a total of 153 precincts. 98 CONGRESSIONAL PLAN A takes 47 precincts out of District 12 and adds 53 precincts. This represents a change of 32.6% of the precincts. This probably would not be considered "tweaking".

I. The Twelfth Congressional District

District 12 is one of the six predominantly Democratic districts established by the 1997 plan to maintain the 6-6 partisan division in North Carolina's congressional

delegation. District 12 is not a majority-minority district, but 46.67 percent of its total population is African-American. Bartlett Aff., Vol. I Commentary at 10 and 11.
Under the Proposed Plan, 35.58% of the total population of District 12 is African-American.

District 12 is composed of six counties, all of them split in the 1997 plan.
Under the Proposed Plan, District 12 is composed of five counties, four of them split.

The racial composition of the parts of the six sub-divided counties assigned to District 12 include three with parts over 50 percent African-American, and three in which the African-American percentage is under 50 percent. Declaration of Ronald E. Webber ("Webber Dec.") q18.
In the Proposed Plan, the racial composition of the parts of the four sub-divided counties assigned to District 12 includes one with parts over 50 percent African-American, and three in which the African-American percentage is under 50 percent.

However, almost 75 percent of the total population in District 12 comes from the three county parts which are majority African-American in population: Mecklenburg, Forsyth, and Guilford counties. Id.
In the proposed Plan, 13 percent of the total population in District 12 comes from the county parts which is majority African-American in population: Forsyth County.
The other three county parts (Davidson, Iredell, and Rowan) have narrow corridors which pick up as many African-Americans as are needed for the district to reach its ideal size. Id.
The corridor in Davidson is wider than previously, due to the addition of six precincts in that county to District 12. Within that county, the corridor no longer divides population in Lexington and Thomasville as cited by the Plaintiff. All of Rowan County is now in District 12. In Iredell County, the majority black precincts which had been in District 12 have been moved to District 10.

Where Forsyth County was split, 72.9 percent of the total population of Forsyth County allocated to District 12 is African-American, while only 11.1 percent of its total population assigned to neighboring District 5 is African-American. Id. q20.
In the Proposed Plan, 61.30% of the total population of Forsyth County allocated to District 12 is African-American, while 10.4 percent of its total population assigned to neighboring District 5 is African-American.

Similarly, Mecklenburg County is split so 51.9 percent of its total population allocated to District 12 is African-American, while only 7.2 percent of the total population assigned to adjoining District 9 is African-American.
In the Proposed Plan, Mecklenburg County is split so 44.79 percent of its total population allocated to District 12 is African-American, while 5.7 percent of the total population assigned to adjoining District 9 is African-American.

A similar pattern emerges when analyzing the cities and towns split between District 12 and its surrounding districts: the four largest cities assigned to District 12 are split along racial lines. Id. q23. For example, where the City of Charlotte is split between District 12 and adjacent District 9, 59.47 percent of the population assigned to District 12 is African-American, while only 8.12 percent of the Charlotte population assigned to District 9 is African-American. Affidavit of Martin B. McGee ("McGee Aff."),

In the Proposed Plan, where the City of Charlotte is split between District 12 and adjacent District 9, 49.62 percent of the population assigned to District 12 is African-American, while 6.3 percent of the Charlotte population assigned to District 9 is African-American.

Ex. L. And where the City of Greensboro is split, 55.58 percent of the population assigned to District 12 is African-American, while only 10.70 percent of the population assigned to District 6 is African-American. Id.

In the Proposed Plan, the City of Greensboro is no longer divided. It will all be in District 6.

An analysis of the voting precincts immediately surrounding District 12 reveals that the legislature did not simply create a majority Democratic district amidst surrounding Republican precincts. For example, around the Southwest edge of District 12 (in Mecklenburg County), the legislature included within the district's borders several precincts with racial compositions of 40 to 100 percent African-American; while excluding from the district voting precincts with less than 35 percent African-American population, but heavily Democratic voting registrations. Among Mecklenburg County precincts which are immediately adjacent to District 12, but not inside it, are precincts with 58.818 percent of voters registered as Democrats, and precincts that are 56.464 percent Democratic, 54.213 percent Democratic, 59.135 percent Democratic, 59.225 percent Democratic, 54.498 percent Democratic, 59.098 percent Democratic, 55.72 percent Democratic, 54.595 percent Democratic, 54.271 percent Democratic, 63.452 percent Democratic, and 59.453 percent Democratic. Id., Ex. P.

The majority opinion chooses to look at the Democratic "voting" registration in making its analysis. In fact, the correct term is "voter" registration, but the mischaracterization points toward why the Plan voided by the court was generated and why the Proposed Plan picks the 14 precincts in Mecklenburg to add which it did.

If voter registration was the key element in politics, it is interesting to note that 10 of the 12 districts currently have majority Democratic registration, one has a Democratic plurality registration (District 6), and one has a Republican plurality registration (District 10). Voter registration is a nominal record of the voters party affiliation at the time of registration. North Carolina had its last permanent registration in 1966, so much of the data on party affiliation is way out of date.

I list below the precincts the court cited as ones the State did not put in the 12th District, along with its Democratic voter registration and the percentage of vote received by Tony Rand, Democratic candidate for Lt. Governor in 1988. This is the election statistic used by staff in developing the Proposed Plan. A thematic map was made of Mecklenburg County showing district boundaries under the invalidated plan, with shading for votes for Rand in bands of 0-40%, 40-50%, 50-60%, and 60-100%. After making changes in Guilford, Forsyth, Rowan, Iredell, and Davidson Counties, contiguous precincts were added based on election statistics, not voter registration.

COURT SUGGESTIONS (NAMES OF PRECINCTS WERE NOT IN THE OPINION)

Precinct	*Democratic Registration*	*Rand vote*
Berryhill	*58.818%*	*45.58%*
Char 79	*56.464%*	*42.96%*
Clt 89	*54.213%*	*31.70%*
Oakdell	*59.135%*	*26.56%*
LC1-North	*59.225%*	*46.60%*

Clt 4	*54.498%*	*42.12%*
*Clt 45**	*59.098%*	*45.30%*
*Clt 33**	*55.72%*	*43.87%*
*Clt 34**	*54.495%*	*46.19%*
*Clt 7**	*54.271%*	*52.61%*
*Clt 10**	*63.452%*	*62.66%*
*Clt 21**	*59.453%*	*52.32%*

** Also used in proposed plan*

PRECINCTS ADDED IN PROPOSED PLAN

Clt 5	*57.00%*	*50.35%*
Clt 6	*48.83%*	*43.41%*
Clt 7	*54.27%*	*52.61%*
Clt 10	*63.45%*	*62.66%*
Clt 21	*59.45%*	*52.32%*
Clt 33	*55.72%*	*43.87%*
Clt 34	*54.60%*	*46.19%*
Clt 35	*53.14%*	*49.41%*
Clt 37	*53.37%*	*41.89%*
Clt 38	*54.33%*	*44.95%*
Clt 45	*59.10%*	*45.30%*
Clt 51	*54.90%*	*43.68%*
Clt 63	*46.78%*	*41.10%*
Clt 84	*53.44%*	*48.15%*

The Proposed Plan uses 14 precincts in southeast and east Charlotte where Rand received more than 40% of the vote and where the Rand vote trails the Democratic registration by an average of 4.4%, rather then the court's suggestion of 12 precincts half of which are west of Charlotte where the Rand vote trailed the Democratic registration by an average of 12.3%. In two of the precinct suggested by the court, Democrats got less than one-third of the vote.

Similarly, Forsyth County precincts that are immediately adjacent to, but not inside, District 12 include precincts with 57.371 percent Democratic registration, 65.253 percent Democratic registration, 65.747 percent Democratic registration, 65.747 percent Democratic registration, 76 percent Democratic registration, 55.057 percent Democratic registration, 55.907 percent Democratic registration, 56.782 percent Democratic registration, 55.836 percent Democratic registration, and 60.113 percent Democratic registration. Id., Ex. O.

In Forsyth County, one factor driving the western boundary of District 12 in Forsyth County is the residence of incumbent 5th District Representative Richard Burr, who resides in Whitaker School Precinct, which is separated from the 12th District by just two intervening precincts and a distance of just 1.75 miles. Two of the nine precincts listed by the court (10 are listed but one appears to be a duplicate) are directly between the invalidated 12th District and the short distance to Representative Burr's residence, and another five lie in a north-south corridor between District 12 and the Burr residence Instead, the proposed Plan adds two of the precincts listed by the court on the east side of Forsyth County, in the Broadbay and Middle Fork Areas, and one of the precincts listed

by the court on the west side of Winston-Salem, as well as three others. These additional precincts will make the eastern and northern boundaries of the 12th District in Forsyth County run due north and west, which will greatly improve the compactness scores deemed relevant by the court in its majority opinion. Again, the General Assembly must balance many different valid goals. In this case, the favored goals are preservation of incumbents (and the cores of their districts) and geographic compactness.

Finally, District 12 was drawn to exclude precincts with 59.679 percent Democratic registration, 61.86 percent Democratic registration, 58.145 percent Democratic registration, 62.324 percent Democratic registration, 60.209 percent Democratic Registration, 56.739 percent Democratic registration, 66.22 percent Democratic registration, 57.273 percent Democratic registration, 55.172 percent Democratic registration, and 63.287 percent Democratic registration, all in Guilford County. Id., Ex. N.

In the proposed Plan, Guilford County is no longer divided.

On the North Carolina map, District 12 has an irregular shape and is barely contiguous in parts.

Whatever its past faults, District 12 has a much more regular shape in the Proposed Plan..

Its Southwest corner lies in Mecklenburg County, very close to the South Carolina border, and includes parts of Charlotte. The District moves North through Rowan County and into Iredell County.

The proposed Plan now includes all of Rowan County.

There is juts West to pick up parts of the City of Statesville. More than 75 percent of the Statesville population that is included in District 12 is African-American, while only 18.88 percent of the population of Statesville excluded from District 12 is African-American. McGee Aff., Ex. L.

The proposed Plan includes NONE of the population of Statesville in District 12

From Statesville, the District moves East into Rowan County. There it dips to the South to include Salisbury,

The proposed Plan includes all of Rowan County in District 12.

before turning to the Northeast and entering Davidson County and the City of Thomasville. Over 41 percent of the populations of Salisbury and Thomasville that are included in District 12 are African-American, while only 15.39 and 9.55 percent, respectively, of those that are excluded from the District are African-American. Id.

All of Salisbury is included in District 12 in the proposed Plan. The proposed Plan includes all of Thomasville in District 6.

The District makes a northwesterly incursion into Forsyth County to include parts of Winston-Salem, where 77.39 percent of the population within District 12 is African-American, and only 16.06 percent of the population left out is African-American.

In the proposed Plan 72.4% of the population of Winston-Salem within District 12 is African-American. The District stays two precincts away from the residence of District 5 Representative Richard Burr, and has a totally regular North and East boundary.

Id. The District moves to the East and narrows dramatically before opening up again to include the predominantly African-American parts of Greensboro, where the District ends. *The District goes no further to the East in the Proposed Plan, all of Guilford County is excluded.*

Objective, numerical studies of the compactness of congressional districts are also available. In his report, "An Evaluation of North Carolina's 1998 Congressional Districts," Professor Gerald R. Webster, one of the Defendants' expert witnesses, presents statistical analyses of "comparator compactness indicators" for North Carolina's congressional districts under the 1997 plan. In measuring the districts' dispersion compactness and perimeter compactness, Professor Webster offers two of the "most commonly recognized and applied" compactness indicators. Webster, at 13 (citing Pildes & Niemi, Expressive Harms, "Bizarre Districts," and Voting Rights: Evaluating Election-District Appearances After Shaw v. Reno, 92 Mich. L. Rev. 483, 571-573, table 6 (1993) (hereinafter, "Pildes & Niemi"); and see Bush v. Vera, 517 U.S. 952, -, 116 S. Ct. 1941, 1952, 135 L.Ed.2d 248 (1996) (citing Plides & Niemi compactness factors as supporting evidence for holding three Texas congressional districts unconstitutional).
Defendants have obtained an analysis by Professor Webster of the Proposed Plan, which is discussed below.

In discussing the relative normalcy of various compactness measures, Pildes and Niemi suggest that a "low" dispersion compactness measure would be equal to or less than 0.15. Pildes & Niemi, at 564. They suggest that a "low" perimeter compactness measure is equal to or less than 0.05. Id. North Carolina's Twelfth Congressional District under the 1997 plan has a dispersion compactness indicator of 0.109 and a perimeter compactness indicator of 0.041. Webster, at table 3.
Professor Webster's calculations for the proposed Plan are a a dispersion compactness indicator of 0.2152 and a perimeter compactness indicator of 0.1388 Rather than just a mere "tweaking" the new dispersion indicator is nearly double the old, and the new perimiter indicator is more than triple the old. Both indicators now are well in excess of the "low" measure suggested by the court, with the dispersion indicator being more than 50% above "low" and the with the perimiter indicator being 160% above "low"

These figures are much lower than the mean compactness indicators for North Carolina's twelve congressional districts under the 1997 plan. The average dispersion compactness indicator for the State is 0.354, and the average perimeter compactness indicator is 0.192. Id. The next lowest dispersion compactness indicator after District 12 is the 0.206 in the Fifth Congressional District,
The new dispersion compactness indicator is 54% of the State average, while the old dispersion compactness indicator was 31% of the State average. The new perimeter compactness indicator is 59% of the State average, while the old perimeter compactness indicator was 21% of the state average.

and the next lowest perimeter compactness indicator is the First Congressional District's 0.107. Id.
The Twelfth District's perimeter indicator of .1388 exceeds that of both the First and Third District's under the proposed Plan

Compactness Analysis by Professor Webster of the Proposed Plan.
District Dispersion Perimeter

1	*.3224*	*.1134*
2	*.4187*	*.1773*
3	*.4171*	*.1316*
4	*.4582*	*.2805*
5	*.3550*	*.1978*
6	*.4027*	*.2670*
7	*.6438*	*.3261*
8	*.3543*	*.2704*
9	*.3644*	*.2672*
10	*.4860*	*.3233*
11	*.3495*	*.3205*
12	*.2152*	*.1388*
MEAN	*.398*	*.234*

I. The Twelfth Congressional District

As noted above, the final decision of the three-judge panel in Shaw only approved the 1997 Congressional Redistricting Plan "as an adequate remedy for the specific violation of the individual equal protection rights of those plaintiffs who successfully challenged the legislature's creation of former District 12." Shaw v. Hunt, No. 92-202-CIV-5-BR, at 8 (E.D.N.C. Sept. 12 , 1997). In the instant case, we are faced with a ripe controversy as to the newly-configured Twelfth Congressional District. This panel must thus decide whether, as a matter of law, District 12 violates the equal protection rights of the Plaintiffs who live within the district and challenge its constitutionality.

In holding that District 12 under the 1992 plan was an unconstitutional racial gerrymander, the Supreme Court in Shaw II noted, "[n]o one looking at District 12 could reasonably suggest that the district contains a 'geographically compact' population of any race." 517 U.S., at -.116 S. Ct., at 1906. The Shaw II Court thus struck the old District 12 as unconstitutional as a matter of law. In redrawing North Carolina's congressional districts in 1997 the General Assembly was, of course, aware that District 12 under the 1992 plan had been declared unconstitutional; curing the constitutional deficiencies was one of the legislature's declared goals for the redistricting process. Cooper Aff. qq5, 8, 10, 14.

Defendants now argue that the changes in District 12 between the 1992 and 1997 plans are dramatic enough to cure it of its constitutional defects. They point to the fact that the new District 12 has lost nearly one-third (31.6 percent) of the population from the 1992 district and nearly three-fifths (58.4 percent) of the land. These numbers do not advance the Defendants' argument or end the Court's inquiry. As Defendants themselves note, the Court's role is limited to determining "whether the proffered remedial plan is legally unacceptable because it violates anew constitutional or statutory voting rights-that is, whether it fails to meet the same standards applicable to an original challenge of a legislative plan in place." McGhee v. Granville County, 860 F.2d 110, 115 (4th Cir. 1988) (citing Upham v. Seamon, 456 U.S. 37, 42, 102 S. Ct. 1518, 1521, 71 L.Ed.2d 725 (1982)). A comparison of the 1992 District 12 and the present District is of limited value here. The issue in this case is whether District 12 in the present plan violates the equal protection rights of the voters residing within it.

District 12 in the Proposed Plan is clearly constitutional without the necessity of merely claiming that it is better than some prior Plan.

In Shaw I, the Supreme Court described old District 12 as "unusually shaped. It is approximately 160 miles long and for much of its length, no wider than the [Interstate]-85 corridor. It winds in snake-like fashion through tobacco country, financial centers, and manufacturing areas until it gobbles in enough enclaves of black neighborhoods." 509 U.S., at 635-636, 113 S. Ct., at 2820-2821 (internal quotations omitted). Viewed without reference to District 12 under the 1992 plan, the new District 12 is also "unusually shaped." While its length has been shortened to approximately 95 miles, it still winds its way from Charlotte to Greensboro along the Interstate-85 corridor, making detours to pick up heavily African-American parts of cities such as Statesville, Salisbury, and Winston-Salem.

In the proposed Plan, District 12 has shrunk to 84 miles in length, and no longer makes detour to pick up heavily African-American parts of ANY municipality between Charlotte and Winston-Salem.

It also connects communities not joined in congressional district, other than in the unconstitutional 1992 plan, since the whole of Western North Carolina was one district, nearly two hundred years ago. Pl.'s Brief Opp. Def.'s Mot. S.J., at 12.

The Proposed Plan makes no changes which affect this paragraph.

As noted above, where cities and counties are split between District 12 and neighboring districts, the splits are exclusively along racial lines, and the parts of the divided cities and counties having a higher proportion of African-Americans are always included in District 12.

This is no longer true in Greensboro, High Point, Lexington, Thomasville, Salisbury, and Statesville. The split in Charlotte is done based on partisan voting patterns. The split in Forsyth County occurs where it does largely to avoid the residence of an incumbent member from another District. Even in those two cities, the racial differences have been reduced from the prior plan/

Defendants argue that the Twelfth has been designed with politics and partisanship, not race, in mind. They describe the District as a "Democratic island in a Republican sea," and present expert evidence that political identification was the predominant factor determining the border of District 12. Affidavit of David W. ("Peterson Aff."), at 2. As the uncontroverted material facts demonstrate, however, the legislators excluded many heavily-Democratic precincts from District 12, even though those precincts immediately border the District.

This argument is premised on the fallacy that voter registration data on voter registration is the most relevant data. In fact, information on partisan voting was used instead as being both more recent and more accurate.

The common thread woven throughout the districting process is that the border of District 12 meanders to include nearly all of the precincts with African-American population proportions of over forty percent which lie between Charlotte and Greensboro, inclusive.

As discussed above, between Charlotte and Greensboro (now between Charlotte and Winston-Salem) there is no evidence of race being any factor at all.

As noted above, objective measures of the compactness of District 12 under the 1997 plan reveal that it is still the most geographically scattered of North Carolina's congressional districts. When compared to other previously challenged and reconstituted congressional districts in North Carolina, Florida, Georgia, Illinois, and Texas, District 12 does not fare well. The District's dispersion and perimeter compactness indicators (0.109 and 0.041, respectively) are lower than those values for North Carolina's District 1 (0.317 and 0.107 under the 1997 plan). Similarly, the District suffers in comparison to Florida's District 3 (0.136 and 0.05), Georgia's District 2 (0.541 and 0.411) and District 11 (0.444 and 0.259), Illinois' District 4 (0.193 and 0.026), and Texas District 18 (0.335 and 0.151), District 29 (0.384 and 0.178), and District 30 (0.383 and 0.180). *Professor Webster has calculated the dispersion and compactness indicators of District 12 under the Proposed Plan as 0.226 and 0.140 respectively. The dispersion indicator now exceeds that of the Florida Third and Illinois Fourth, while the perimeter indicator now exceeds that of the North Carolina First, Florida Third, and Illinois Fourth. This improves the national dispersion compactness ranking of District 12 from 429th to 396th of 435, and improves the national perimeter compactness ranking of District 12 from 430th to 365th of 435.*

Rule 56(c) of the Federal Rules of Civil Procedure provides that summary judgment shall be granted if there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law. The moving party must demonstrate the lack of a genuine issue of fact for trial, and if that burden is met, the party opposing the motion must show evidence of a genuine factual dispute. Celotex Corp. v. Catrett, 477 U.S. 317, 324, 106 S. Ct. 2548, 2553, 91 L.Ed.2d 265 (1986).

Based on the uncontroverted material facts before it, the Court concludes that the General Assembly, in redistricting, used criteria with respect to District 12 that are facially race driven. District 12 was drawn to collect precincts with high racial identification rather than political identification. Further, the uncontroverted material facts demonstrate that precincts with higher partisan representation (that is, more heavily Democratic precincts) were bypassed in the drawing of District 12 and included in the surrounding congressional districts. The legislature disregarded traditional districting criteria such as contiguity, geographical integrity, community of interest, and compactness in drawing District 12 in North Carolina's 1997 plan. Instead, the General Assembly utilized race as the predominant factor in drawing the District, thus violating the rights to equal protection guaranteed in the Constitution of the citizens of District 12.

To remedy these constitutional deficiencies, the North Carolina legislature must redraw the 1997 plan in such a way that it avoids the deprivation of the voters' equal protection rights not be classified on the basis of race. This mandate of the Court leaves the General Assembly free, within its authority, to use other, proper factors in redrawing the 1997 plan. Among these factors, the legislature may consider traditional districting criteria, including incumbency considerations, to the extent consistent with curing the constitutional defects. See Shaw II, 517 U.S., at -, 116 S. Ct., at 1901 (describing "race-neutral, traditional districting criteria").

INTRODUCTION OF BILLS AND RESOLUTIONS *(Continued)*

By Senators Dannelly, Albertson, Ballance, Forrester, Hoyle, Jordan, Kerr, Kinnaird, Lucas, Martin of Guilford, Martin of Pitt, Odom, Phillips, Rand, Rucho,

Wellons and Winner:

S.B. 1202, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE COUNTY CONVEYANCE OF SURPLUS AUTOMOBILES TO A NOT-FOR-PROFIT RECIPIENT FOR SUBSEQUENT CONVEYANCE TO WORK FIRST PARTICIPANTS.

Referred to **Children & Human Resources Committee.**

By Senators Winner, Dannelly and Odom:

S.B. 1203, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF CHARLOTTE TO CONTINUE TO LEVY STORMWATER FEES IF REVENUE BONDS HAVE BEEN ISSUED AND ARE OUTSTANDING.

Referred to **Finance Committee.**

By Senator Odom:

S.B. 1204, A BILL TO BE ENTITLED AN ACT TO ABOLISH EXECUTION BY LETHAL GAS AND TO PROVIDE THAT A PERSON CONVICTED OF A CRIMINAL OFFENSE WHO IS SENTENCED TO DEATH SHALL BE EXECUTED BY THE ADMINISTRATION OF LETHAL DRUGS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Odom:

S.B. 1205, A BILL TO BE ENTITLED AN ACT TO CLARIFY CONDITIONS OF PROBATION FOR INTERMEDIATE PUNISHMENTS UNDER STRUCTURED SENTENCING.

Referred to **Judiciary Committee.**

By Senators Odom, Dalton, Garwood and Jenkins:

S.B. 1206, A BILL TO BE ENTITLED AN ACT TO ALLOW OVERWEIGHT TRUCKS TRANSPORTING APPLES AND CHRISTMAS TREES TO OPERATE ON CERTAIN LIGHT-DUTY ROADS.

Referred to **Transportation Committee.**

By Senator Odom:

S.B. 1207, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Odom:

S.B. 1208, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Odom:

S.B. 1209, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Odom, Dannelly and Plyler:

S.B. 1210, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE ADOLESCENT UNIT AT BROUGHTON HOSPITAL.

Referred to **Appropriations Committee.**

By Senators Odom, Dannelly, Plyler, Rucho and Winner:

S.B. 1211, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE CAROLINAS POISON CENTER.

Referred to **Appropriations Committee.**

By Senators Odom, Albertson, Ballance, Dannelly, Foxx, Gulley, Kinnaird, Martin of Guilford, Martin of Pitt, Plyler, Purcell, Rand, Rucho, Shaw of Cumberland, Weinstein, and Winner:

S.B. 1212, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE NORTH CAROLINA FOOD BANKS.

Referred to **Appropriations Committee.**

By Senators Odom, Dannelly, Plyler, Rucho and Winner:

S.B. 1213, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR CAPITAL EXPENDITURES AT SUMMIT HOUSE.

Referred to **Appropriations Committee.**

By Senators Odom, Dannelly, Jordan, Warren, Weinstein and Winner:

S.B. 1214, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE CANCER CONTROL PROGRAM.

Referred to **Appropriations Committee.**

By Senators Odom, Dannelly, Warren, Weinstein and Winner:

S.B. 1215, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO ACQUIRE IMPROVED TECHNOLOGY FOR THE EARLY DETECTION OF CERVICAL CANCER.

Referred to **Appropriations Committee.**

By Senators Odom, Dannelly, Plyler and Rucho:

S.B. 1216, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE EXPANSION OF THE LAKE NORMAN YMCA IN MECKLENBURG COUNTY.

Referred to **Appropriations Committee.**

By Senators Odom, Dannelly, Plyler and Rucho:

S.B. 1217, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO ESTABLISH AN ARTIST COLONY FOR VISUAL ARTISTS.

Referred to **Appropriations Committee.**

By Senators Odom, Dannelly, Plyler and Rucho:

S.B. 1218, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO SUPPORT THE WILLIAM STATES LEE LEADERSHIP INSTITUTE AND TO RENOVATE AND SUPPORT THE HISTORIC WHITE OAKS MANSION.

Referred to **Appropriations Committee.**

By Senators Odom, Dannelly, Plyler and Rucho:

S.B. 1219, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO EXPAND THE CHARLOTTE MUSEUM OF HISTORY.

Referred to **Appropriations Committee.**

By Senators Odom, Dannelly, Plyler and Rucho:

S.B. 1220, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO ESTABLISH A NEW BRANCH OF THE MINT MUSEUM OF ART IN THE CITY OF CHARLOTTE.

Referred to **Appropriations Committee**.

By Senators Odom and Dannelly:

S.B. 1221, A BILL TO BE ENTITLED AN ACT TO PERMIT MORE THAN TWO RAFFLES PER YEAR TO BE CONDUCTED BY EXEMPT ORGANIZATIONS IN CONJUNCTION WITH PROFESSIONAL SPORTING EVENTS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Odom, Dannelly, Forrester, Phillips, Rucho and Winner:

S.B. 1222, A BILL TO BE ENTITLED AN ACT TO ANNEX THE MECK NECK AREA OF MECKLENBURG COUNTY TO IREDELL COUNTY.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senators Webster, Allran, Ballantine, Carpenter, Carrington, Clark, Cochrane, East, Forrester, Foxx, Garwood, Ledbetter, McDaniel, Moore, Page, Rucho and Shaw of Guilford:

S.B. 1223, A BILL TO BE ENTITLED AN ACT TO PROVIDE TAX RELIEF AND TAX SIMPLICITY BY INDEXING THE STATE'S PERSONAL EXEMPTION AND STANDARD DEDUCTION AMOUNTS TO THE FEDERAL AMOUNTS.

Referred to **Finance Committee**.

By Senators Dalton, Blust, Carpenter, Clark, Cochrane, Dannelly, Forrester, Foxx, Garwood, Gulley, Hoyle, Jenkins, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue, Plyler, Purcell, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, Wellons and Winner:

S.J.R. 1224, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF J. OLLIE HARRIS, FORMER MEMBER OF THE GENERAL ASSEMBLY.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Cochrane, Carpenter, Dalton, Kerr, Hartsell, Hoyle, Webster and Forrester:

S.B. 1225, A BILL TO BE ENTITLED AN ACT TO FURTHER ADJUST THE SHARE CERTAIN CITIES RECEIVE FROM THE STATE GROSS RECEIPTS TAX.

Referred to **Finance Committee**.

By Senators Cochrane, Carpenter, Dalton, Hartsell, Hoyle, Kerr and Webster:

S.B. 1226, A BILL TO BE ENTITLED AN ACT TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE REVENUE LAWS AND RELATED STATUTES.

Referred to **Finance Committee**.

By Senators Kerr, Cochrane, Dalton, Hartsell, Hoyle and Webster:

S.B. 1227, A BILL TO BE ENTITLED AN ACT TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE USED IN DEFINING AND DETERMINING CERTAIN STATE TAX PROVISIONS AND TO CONFORM TO FEDERAL GIFT

TAX TREATMENT OF CONTRIBUTIONS TO QUALIFIED TUITION PROGRAMS.
Referred to **Finance Committee.**

By Senators Dalton, Cochrane, Kerr, Hartsell, Hoyle and Webster:
S.B. 1228, A BILL TO BE ENTITLED AN ACT TO ENHANCE THE CRIMINAL PROVISIONS FOR TAX VIOLATIONS.
Referred to **Judiciary Committee.**

By Senators Kerr, Cochrane, Dalton, Hartsell, Hoyle and Webster:
S.B. 1229, A BILL TO BE ENTITLED AN ACT TO ABOLISH TAX WAIVERS FOR THE TRANSFER OR DELIVERANCE OF A DECEDENT'S PROPERTY.
Referred to **Finance Committee.**

By Senators Kerr, Cochrane, Dalton, Hartsell and Hoyle:
S.B. 1230, A BILL TO BE ENTITLED AN ACT TO EXEMPT RACING GASOLINE FROM THE PER GALLON EXCISE TAX, TO CLARIFY THE TAXATION OF KEROSENE, AND TO MAKE OTHER CHANGES IN THE MOTOR FUEL TAX LAWS.
Referred to **Finance Committee.**

By Senators Wellons and Gulley:
S.B. 1231, A BILL TO BE ENTITLED AN ACT TO INCREASE THE AMOUNT THAT MAY BE IN CONTROVERSY IN DISTRICT AND SUPERIOR CIVIL COURTS AND TO MAKE CORRESPONDING CHANGES TO THE RULES OF CIVIL PROCEDURE AND NONBINDING ARBITRATION.
Referred to **Judiciary Committee.**

By Senators Phillips, Foxx, Kinnaird, Ledbetter and Lucas:
S.B. 1232, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE DIVISION OF CHILD DEVELOPMENT, DEPARTMENT OF HEALTH AND HUMAN SERVICES, TO DEVELOP AND ISSUE A SINGLE, CLARIFIED, PUBLICATION FOR ALL CHILD CARE PROVIDERS ON CHILD CARE LAW, RULES, AND POLICY, AS RECOMMENDED BY THE LEGISLATIVE STUDY COMMISSION ON CHILD CARE.
Referred to **Children & Human Resources Committee.**

By Senators Phillips, Foxx, Kinnaird, Ledbetter and Lucas:
S.B. 1233, A BILL TO BE ENTITLED AN ACT TO ENSURE THAT STATE REGULATION OF CHILD CARE IS DEVELOPED AND ADMINISTERED FAIRLY AND EFFECTIVELY AS RECOMMENDED BY THE LEGISLATIVE STUDY COMMISSION ON CHILD CARE.
Referred to **Children & Human Resources Committee.**

By Senators Phillips, Foxx and Kinnaird:
S.B. 1234, A BILL TO BE ENTITLED AN ACT TO INCREASE THE PROCESS AND FACILITIES FEES IN CRIMINAL CASES IN THE GENERAL COURT OF JUSTICE.
Referred to **Finance Committee.**

By Senator Reeves:

S.B. 1235, A BILL TO BE ENTITLED AN ACT RELATING TO WAKE COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Reeves:

S.B. 1236, A BILL TO BE ENTITLED AN ACT RELATING TO WAKE COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Hartsell and Miller:

S.B. 1237, A BILL TO BE ENTITLED AN ACT TO MODIFY THE PROCEDURES CONCERNING FINAL ADMINISTRATIVE DECISIONS IN CONTESTED CASES HEARD BY THE OFFICE OF ADMINISTRATIVE HEARINGS.

Referred to **Judiciary Committee**.

By Senators Horton, Cochrane and McDaniel:

S.B. 1238, A BILL TO BE ENTITLED AN ACT TO EXEMPT FORSYTH COUNTY FROM CERTAIN STATUTORY REQUIREMENTS IN THE RENOVATION OF FORMER TOBACCO FACTORIES FOR COUNTY GOVERNMENT OFFICES, PARKING, AND RELATED FACILITY NEEDS.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senator Hoyle:

S.B. 1239, A BILL TO BE ENTITLED AN ACT TO REMOVE THE SUNSET FROM THE QUALIFIED BUSINESS TAX CREDIT AND TO INCREASE THE CAP FROM SIX MILLION DOLLARS TO TWELVE MILLION DOLLARS.

Referred to **Finance Committee**.

By Senator Hoyle:

S.B. 1240, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE BUSINESS LICENSE INFORMATION OFFICE OF THE SECRETARY OF STATE'S OFFICE TO PROVIDE INFORMATION AND ASSISTANCE TO SMALL BUSINESSES, AS RECOMMENDED BY THE BUSINESS DEVELOPMENT STUDY COMMITTEE OF THE LEGISLATIVE RESEARCH COMMISSION.

Referred to **Commerce Committee**.

By Senators Hoyle, Cochrane, Dalton, Hartsell, Kerr and Webster:

S.B. 1241, A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, AND TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID.

Referred to **Finance Committee**.

By Senators Hoyle, Ballantine, Hartsell, Odom, Rand and Warren:

S.B. 1242, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A WIRELESS ENHANCED 911 SYSTEM FOR THE USE OF CELLULAR, PERSONAL COMMUNICATIONS SERVICE, AND OTHER WIRELESS TELEPHONE CUSTOMERS, AS RECOMMENDED BY THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE.

Referred to **Commerce Committee** and upon a favorable report, re-referred to the **Finance Committee.**

By Senators Rand, Ballance, Cooper, Dalton, Kinnaird, Miller, Odom and Soles:

S.B. 1243, A BILL TO BE ENTITLED AN ACT TO ADD CLERKS OF COURT TO THE SENTENCING AND POLICY ADVISORY COMMISSION, THE CRIMINAL JUSTICE ADVISORY BOARD, AND THE GOVERNOR'S CRIME COMMISSION.

Referred to **Judiciary Committee**.

By Senators Rand and Odom:

S.B. 1244, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE CHILD SUPPORT ENFORCEMENT AGENCY SHALL REPRESENT OBLIGEES IN IV-D UIFSA CASES AND TO APPROPRIATE FUNDS.

Referred to **Judiciary Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senators Lee, Allran, Dannelly, Kinnaird, Lucas, Rucho and Winner:

S.B. 1245, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS TO APPROPRIATE FUNDS FOR PROGRAMS TO SERVE LIMITED ENGLISH PROFICIENCY STUDENTS.

Referred to **Appropriations Committee**.

By Senator Lee:

S.B. 1246, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO CONTINUE THE PROGRAMS OF THE NATURAL RESOURCE LEADERSHIP INSTITUTE SPONSORED BY THE COOPERATIVE EXTENSION SERVICE AT NORTH CAROLINA STATE UNIVERSITY.

Referred to **Appropriations Committee**.

By Senators Lee and Odom:

S.B. 1247, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT RECOMMENDATIONS CONCERNING THE OREGON INLET.

Referred to **Appropriations Committee**.

By Senators Lee and Kinnaird:

S.B. 1248, A BILL TO BE ENTITLED AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE TOWN OF CARTHAGE.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senators Martin of Guilford, Allran, Cooper, Perdue, Phillips and Plyler:

S.B. 1249, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE INDEPENDENT LIVING REHABILITATION PROGRAM.

Referred to **Appropriations Committee**.

By Senators Martin of Guilford, Albertson, Allran, Cooper and Phillips:

S.B. 1250, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO SUPPORT THE INVESTIGATIONS OF SUDDEN UNEXPECTED DEATHS OF INFANTS AND YOUNG CHILDREN (SUD PROGRAM), AS RECOMMENDED BY THE CHILD FATALITY TASK FORCE.

Referred to **Appropriations Committee**.

By Senators Martin of Guilford, Albertson, Allran, Cooper, Martin of Pitt and Phillips:

S.B. 1251, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE MATERNAL OUTREACH PROGRAM, AS RECOMMENDED BY THE CHILD FATALITY TASK FORCE.

Referred to **Appropriations Committee**.

By Senators Hoyle, Cochrane, Hartsell and Kerr:

S.B. 1252, A BILL TO BE ENTITLED AN ACT TO SIMPLIFY AND MODIFY PRIVILEGE LICENSE AND EXCISE TAXES AND RELATED PERMIT FEES.

Referred to **Finance Committee**.

By Senator Odom:

S.B. 1253, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE NORTH CAROLINA HUMANITIES COUNCIL.

Referred to **Appropriations Committee**.

By Senator Odom:

S.B. 1254, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF PUBLIC INSTRUCTION FOR THE CUED SPEECH CENTER.

Referred to **Appropriations Committee**.

By Senator Odom:

S.B. 1255, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE CUED SPEECH CENTER.

Referred to **Appropriations Committee**.

By Senators Odom, Ballance and Jenkins:

S.B. 1256, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THERE IS NO INSURANCE PREMIUM SURCHARGE OR ASSESSMENT OF POINTS FOR A CONVICTION FOR SPEEDING FIFTEEN MILES PER HOUR OR LESS OVER THE SPEED LIMIT.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Odom:

S.J.R. 1257, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A BILL TO BE ENTITLED AN ACT TO INCREASE THE MEMBERSHIP ON THE ADVISORY COMMITTEE ON CANCER COORDINATION AND CONTROL.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Odom, Ballance, Cooper, Dannelly, Gulley, Horton, Kinnaird, Phillips, Rand and Winner:

S.B. 1258, A BILL TO BE ENTITLED AN ACT TO AMEND THE CONSTITUTION OF NORTH CAROLINA TO PROVIDE FOR GUBERNATORIAL NOMINATION OF JUSTICES OF THE SUPREME COURT AND JUDGES OF THE

COURT OF APPEALS, LEGISLATIVE CONFIRMATION, AND RETENTION BY VOTE OF THE PEOPLE.

Referred to **Judiciary Committee**.

By Senators Rand, Albertson, Ballance, Cooper, Dalton, Dannelly, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Martin of Guilford, Martin of Pitt, Perdue, Plyler, Purcell, Shaw of Cumberland, Soles, Warren and Weinstein:

S.B. 1259, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR LOW-WEALTH SCHOOL SYSTEMS' SUPPLEMENTAL FUNDING.

Referred to **Appropriations Committee**.

By Senators Cooper, Albertson, Allran, Dalton, Dannelly, Forrester, Garwood, Gulley, Hartsell, Hoyle, Jenkins, Kinnaird, Lee, Lucas, Martin of Pitt, McDaniel, Miller, Odom, Phillips, Plyler, Purcell, Rand, Reeves, Soles, Warren, Weinstein and Wellons:

S.B. 1260, A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE DEPARTMENT OF JUVENILE JUSTICE, TO AMEND AND RECODIFY THE NORTH CAROLINA JUVENILE CODE, TO MAKE CONFORMING CHANGES TO THE STATUTES, AND TO APPROPRIATE FUNDS, AS RECOMMENDED BY THE COMMISSION ON JUVENILE CRIME AND JUSTICE.

Referred to **Judiciary Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.B. 1394, AN ACT TO DIVIDE NORTH CAROLINA INTO TWELVE CONGRESSIONAL DISTRICTS.

On motion of Senator Basnight, seconded by Senator Dalton, the Senate adjourns at 12:47 P.M., subject to ratification of bills and the reading of the remaining introduction of bills and resolutions, to meet Monday, May 25, at 7:00 P.M.

ONE HUNDRED THIRTY-SECOND DAY

Senate Chamber
Monday, May 25, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Marc Basnight, President *Pro Tempore*, who presides in the absence of the Lieutenant Governor.

Prayer is offered by the Reverend Andre Gorham, Pastor of Community Fellowship Church, Durham, North Carolina, as follows:

"Heavenly Father, thank You for helping us to do good and negotiate peace in all our endeavors.

"Thank You for strengthening us with might by Your Spirit that we may have supernatural courage to be a blessing in the most volatile and compromising of situations.

"Thank You, Heavenly Father, for giving us an abundance of humility that we may serve without complaint, but diligently and with thanksgiving. Give us a renewed appreciation for the people we represent that their interests may ever be before us. For these things we give You glory, praise and thanks. Amen."

Senator Lee announces the Journal of Thursday, May 21, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President *Pro Tempore* of the Senate extends courtesies of the floor to Dr. Hubert Leroy Fiery from Greensboro, North Carolina, who is serving the Senate as Doctor of the Day.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1394, AN ACT TO DIVIDE NORTH CAROLINA INTO TWELVE CONGRESSIONAL DISTRICTS. (Became law upon ratification, May 21, 1998 - S.L.1998-2.)

S.B. 993, AN ACT TO ESTABLISH PROCEDURES FOR CONVERSIONS BY HOSPITAL, MEDICAL, AND DENTAL SERVICE CORPORATIONS. (Became law upon approval of the Governor, May 22, 1998 - S.L. 1998-3.)

Senator Lee offers a motion to suspend Rule 7 to the end that the introduction of bills be placed as the last order of business tonight, which motion prevails.

The President *Pro Tempore* recognizes the following pages serving in the Senate this week:

Matthew Thomas Adams, Gastonia; William Anderson Banks, Gastonia; Sarah Nicole Bardinelli, Durham; Deanna Lynn Boggs, Stanley; Carla Antionette Bullock, Durham; Dominic Darchelle Chandler, Durham; Phillip Gray Cunningham, Greensboro; Benjamin I. Davenport, Clayton; Nathan Cole Dellinger, Stanley; Robert C. Hewett, Greensboro; Shannon Innes, Cary; Heather Wynne Isley, Reidsville; Sarah Elizabeth Kearney, Hamptonville; Andrew Ledbetter, Lincolnton; Jason Keith Lindsay, Rose Hill; Amy Elizabeth McClure, Dallas; John Christopher Miller, Gastonia; Emily Claire Stewart, Hillsborough; Robert Thao, Mt. Gilead; Sara Marie VandenEnde, Cary; Donald Gray Walser, II, Gastonia; Tom Warren, Snow Hill; Christopher M. West, Stanley; Morgan E. Whittaker, Gastonia; and Joshua Wood, High Point.

INTRODUCTION OF BILLS

Bills filed for introduction are presented to the Senate, read the first time, and disposed of, as follows:

By Senator Plyler:

S.B. 1261, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Plyler:

S.B. 1262, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Plyler:

S.B. 1263, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Shaw of Cumberland:

S.B. 1264, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF COMMERCE TO PROVIDE ECONOMIC INCENTIVES TO NORTH CAROLINA CITIES VYING TO HOST THE CENTRAL INTERCOLLEGIATE ATHLETIC ASSOCIATION (CIAA) BASKETBALL TOURNAMENT.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Ballantine:

S.B. 1265, A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE BEACH RENOURISHMENT FUND, TO ESTABLISH THE TRUSTEES OF THE FUND, TO RESERVE FIVE PERCENT OF THE UNRESERVED CREDIT BALANCE IN THE GENERAL FUND AT THE END OF EACH FISCAL YEAR TO THE BEACH RENOURISHMENT FUND, AND TO MAKE CONFORMING STATUTORY CHANGES.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Ballantine:

S.B. 1266, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO ASSIST WITH THE RELOCATION OF THREATENED STRUCTURES AND TO ACQUIRE COASTAL SHORELINE PROPERTY RENDERED UNBUILDABLE UNDER CAMA RULES BY BEACH EROSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Kinnaird, Ballance, Blust, Clark, Dalton, Foxx, Garwood, Horton, Jordan, Ledbetter, Lee, Lucas, Moore, Phillips, Purcell, Rand, Rucho, Shaw of Cumberland and Weinstein:

S.B. 1267, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE DEPARTMENT OF TRANSPORTATION TO CONSTRUCT ACCESS ROADS TO PUBLIC SCHOOLS AND TO PROVIDE AREAS FOR OFF-STREET DROP-

OFF OF STUDENTS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Kinnaird, Jenkins, Odom and Phillips:

S.B. 1268, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO IMPROVE THE IMPLEMENTATION OF THE SEDIMENTATION POLLUTION CONTROL ACT OF 1973, AS RECOMMENDED BY THE SEDIMENTATION CONTROL COMMISSION AND THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Kinnaird, Jenkins, Odom and Phillips:

S.B. 1269, A BILL TO BE ENTITLED AN ACT TO EXTEND BY SIX MONTHS THE DATE BY WHICH WELL CONTRACTORS MUST BE CERTIFIED UNDER THE NORTH CAROLINA WELL CONTRACTORS CERTFICATION ACT AND TO EXTEND THE TIME FOR THE ADOPTION OF RULES BY THE WELL CONTRACTORS CERTIFICATION COMMISSION, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Kinnaird and Jenkins:

S.B. 1270, A BILL TO BE ENTITLED AN ACT TO MODIFY DEPARTMENT OF TRANSPORTATION CONDEMNATION PROCEDURES.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Lee:

S.B. 1271, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS TO ESTABLISH A PILOT PROGRAM TO ADD INSTRUCTIONAL DAYS AND INCREASE FLEXIBILITY.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Hoyle, Ballantine, Kerr, Martin of Pitt, Perdue and Reeves:

S.B. 1272, A BILL TO BE ENTITLED AN ACT TO INCREASE THE NUMBER OF CONTRACTORS ON THE BUILDING CODE COUNCIL AND TO REQUIRE COUNCIL TO CONSIDER THE IMPACT OF CODE CHANGES ON THE AFFORDABILITY OF RESIDENTIAL HOUSING.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Horton, Cochrane and McDaniel:

S.B. 1273, A BILL TO BE ENTITLED AN ACT TO CONFORM TO GENERAL LAW THE MANNER OF APPOINTMENT OF THE TOWN ATTORNEY OF KERNERSVILLE.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Albertson:

S.B. 1274, A BILL TO BE ENTITLED AN ACT TO EXTEND THE TIME FOR THE RESOLUTION OF CLAIMS TO LAND UNDER NAVIGABLE WATERS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Albertson:

S.B. 1275, A BILL TO BE ENTITLED AN ACT TO INCREASE THE AMOUNT OF FUNDS THAT MAY BE USED TO ADMINISTER THE FISHERY RESOURCE GRANT PROGRAM, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Albertson and Perdue:

S.B. 1276, A BILL TO BE ENTITLED AN ACT TO EXTEND THE MORATORIUM ON ISSUING SHELLFISH CULTIVATION LEASES IN CORE SOUND, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Dalton and Ballantine:

S.B. 1277, A BILL TO BE ENTITLED AN ACT TO AMEND THE RULES OF CIVIL PROCEDURE AND TO EXTEND THE CIVIL PROCEDURE STUDY COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Rand, Perdue, Forrester and Purcell:

S.B. 1278, A BILL TO BE ENTITLED AN ACT TO CREATE MEDICARE PROVIDER SPONSORED ORGANIZATION LICENSING.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Hartsell:

S.B. 1279, A BILL TO BE ENTITLED AN ACT TO MAKE VARIOUS TECHNICAL AMENDMENTS TO THE GENERAL STATUTES AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Hartsell and Gulley:

S.B. 1280, A BILL TO BE ENTITLED AN ACT TO PROVIDE AN ALTERNATIVE PROCUREMENT BY COMPETITIVE PROPOSAL PROCEDURE FOR THE PURCHASE OF APPARATUS, SUPPLIES, MATERIALS, OR EQUIPMENT BY A REGIONAL PUBLIC TRANSPORTATION AUTHORITY OR A

REGIONAL TRANSPORTATION AUTHORITY.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Hartsell:

S.B. 1281, A BILL TO BE ENTITLED AN ACT RELATING TO THE TWENTY-SECOND SENATORIAL DISTRICT.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Odom:

S.B. 1282, A BILL TO BE ENTITLED AN ACT TO INCREASE THE MEMBERSHIP ON THE ADVISORY COMMITTEE ON CANCER COORDINATION AND CONTROL.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Odom:

S.B. 1283, A BILL TO BE ENTITLED AN ACT TO PROVIDE STANDARDS FOR THE REGULATION OF PRIVATE PRISONS HOUSING OUT-OF-STATE INMATES, AS RECOMMENDED BY THE JOINT LEGISLATIVE CORRECTIONS AND CRIME CONTROL OVERSIGHT COMMITTEE.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Albertson and Jordan:

S.B. 1284, A BILL TO BE ENTITLED AN ACT TO AMEND THE FISHERIES REFORM ACT OF 1997 AND RELATED MARINE FISHERIES LAWS, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Albertson, Horton, Ledbetter, Odom, Plyler, Warren and Weinstein:

S.B. 1285, A BILL TO BE ENTITLED AN ACT TO EXEMPT THE TRANSPORTATION OF CERTAIN AGRICULTURAL PRODUCTS FROM VARIOUS REQUIREMENTS IN CONFORMITY WITH FEDERAL REGULATIONS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Perdue and Rand:

S.B. 1286, A BILL TO BE ENTITLED AN ACT TO AMEND THE PHARMACY PRACTICE ACT, AS RECOMMENDED BY THE JOINT LEGISLATIVE HEALTH CARE OVERSIGHT COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Rand and Perdue:

S.B. 1287, A BILL TO BE ENTITLED AN ACT TO MAKE NECESSARY TECHNICAL CORRECTIONS TO CHAPTER 442 OF THE 1997 SESSION LAWS, "AN ACT TO ESTABLISH ADVANCE INSTRUCTION FOR MENTAL HEALTH TREATMENT", AS RECOMMENDED BY THE JOINT LEGISLATIVE HEALTH OVERSIGHT COMMITTEE.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Gulley, Perdue and Hartsell:

S.B. 1288, A BILL TO BE ENTITLED AN ACT TO PROTECT THE PRIVACY OF HEALTH INFORMATION, AS RECOMMENDED BY THE JOINT LEGISLATIVE HEALTH CARE OVERSIGHT COMMITTEE.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Gulley, Hartsell and Reeves:

S.B. 1289, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE REGIONAL TRANSIT AUTHORITIES TO USE INSTALLMENT PURCHASE FINANCING.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Gulley, Hartsell and Reeves:

S.B. 1290, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE CERTAIN PUBLIC ENTITIES TO PROTECT RIGHTS-OF-WAY FOR FUTURE PUBLIC TRANSIT DEVELOPMENT.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Gulley and Hartsell:

S.B. 1291, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION TO CREATE TRANSPORTATION CORRIDORS AND PROTECT THEM FROM DEVELOPMENT.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Reeves, Miller, Lucas, Carrington, Kinnaird, Gulley and Lee:

S.B. 1292, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE TAX OFFICIALS TO SHARE TAX INFORMATION TO FACILITATE COLLECTION OF VEHICLE RENTAL TAXES.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Rucho, Winner, Odom and Dannelly:

S.B. 1293, A BILL TO BE ENTITLED AN ACT TO AMEND THE MECKLENBURG OCCUPANCY TAX AND PREPARED FOOD AND BEVERAGE TAX.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Perdue, Albertson, Cochrane, Jenkins, Kinnaird, Martin of Pitt and Odom:

S.B. 1294, A BILL TO BE ENTITLED AN ACT TO EXTEND THE STUDY OF THE ORGANIZATIONAL STRUCTURE AND ADMINISTRATIVE PLACEMENT OF THE PROGRAMS IN THE DIVISION OF ENVIRONMENTAL HEALTH OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND TO EXPAND THE SCOPE OF THE STUDY TO INCLUDE THE ORGANIZATION, FUNCTIONS, POWERS, AND DUTIES OF THE VARIOUS BOARDS, COMMISSIONS, AND COUNCILS HAVING JURISDICTION OVER ENVIRONMENTAL, PUBLIC HEALTH, AND NATURAL RESOURCES PROGRAMS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Perdue, Albertson, Kinnaird and Martin of Pitt:

S.B. 1295, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO MONITOR AND MODEL THE NEUSE RIVER AND ESTUARY UNDER THE NEUSE RIVER MODELING AND MONITORING (MODMON) PROJECT, DEVELOP A HYDRODYNAMIC MODEL OF THE NEUSE WATERSHED, AND LINK THESE MODELS SO THAT THE EFFECTIVENESS OF CURRENT NUTRIENT MANAGEMENT STRATEGIES FOR THE NEUSE RIVER BASIN CAN BE DETERMINED, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Lee, Martin of Guilford and Wellons:

S.B. 1296, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS TO APPROPRIATE FUNDS TO PROVIDE A BONUS TO ASSISTANCE TEAM MEMBERS AND TO REIMBURSE THE ACTUAL COST OF ALL REASONABLE EXPENSES INCURRED BY MEMBERS OF ASSISTANCE TEAMS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Lee and Martin of Guilford:

S.B. 1297, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS TO ENCOURAGE LOCAL BOARDS OF EDUCATION TO PROVIDE YEAR-ROUND SCHOOLS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Lee, Martin of Guilford and Wellons:

S.B. 1298, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE LEGISLATIVE COMMISSION ON PUBLIC SCHOOLS TO MAKE CHANGES IN LAWS, POLICIES, AND ADMINISTRATION TO IMPROVE THE QUALITY OF EDUCATION AND SAFETY IN THE STATE RESIDENTIAL SCHOOLS, TO IMPLEMENT THE ABC'S PROGRAM IN THE

RESIDENTIAL SCHOOLS, TO AUTHORIZE STUDIES OF ISSUES OF CONCERN TO BLIND AND DEAF STUDENTS, TO REQUIRE AN AUDIT OF THE DIVISION OF SERVICES FOR THE DEAF AND HARD OF HEARING, TO REQUIRE THE DEVELOPMENT OF A THREE-YEAR PLAN TO ADDRESS THE CAPITAL NEEDS OF THE GOVERNOR MOREHEAD SCHOOL AND THE THREE STATE SCHOOLS FOR THE DEAF, AND TO MAKE APPROPRIATIONS TO IMPLEMENT THIS ACT.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Cochrane, Albertson, Carpenter, East, Horton, Kinnaird, Martin of Pitt, Odom and Phillips:

S.B. 1299, A BILL TO BE ENTITLED AN ACT TO AMEND THE LAWS REGARDING THE WITHDRAWAL AND TRANSFER OF SURFACE WATERS AND THE STATE WATER SUPPLY PLAN.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Odom and Hoyle:

S.B. 1300, A BILL TO BE ENTITLED AN ACT TO SET THE INSURANCE REGULATORY CHARGE FOR CALENDAR YEAR 1998, TO AMEND PROVISIONS IN THE INSURANCE LAWS DEALING WITH EXAMINATIONS OF INSURANCE COMPANIES AND AUDITS OF THEIR FINANCIAL STATEMENTS, AND TO CLARIFY THE LAW ON INSURERS' FUNDING AGREEMENT RESERVES.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Odom, Albertson, Cochrane, Horton, Jenkins, Kinnaird, Martin of Pitt, Perdue and Phillips:

S.B. 1301, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO A NONREVERTING RESERVE FOR THE START-UP COSTS OF THE SOUTHERN DAIRY COMPACT COMMISSION AND THE INITIAL COSTS OF ADMINISTERING AND ENFORCING THE SOUTHERN DAIRY COMPACT AND TO PROVIDE FOR THE REPAYMENT OF THOSE FUNDS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Odom, Albertson, Cochrane, Horton, Jenkins, Kinnaird and Martin of Pitt:

S.B. 1302, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE REGISTRATION OF SWINE FARMS ASSOCIATED WITH SWINE OPERATION INTEGRATORS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Odom, Albertson, Cochrane, Horton, Kinnaird, Martin of Pitt, Perdue and Phillips:

S.B. 1303, A BILL TO BE ENTITLED AN ACT TO DIRECT THE COMMISSION FOR HEALTH SERVICES TO REQUIRE EACH NEW SEPTIC TANK SYSTEM TO

USE AN EFFLUENT FILTER AND AN ACCESS DEVICE, TO DEVELOP STANDARDS FOR THESE DEVICES, TO ADOPT THESE REQUIREMENTS AND STANDARDS BY TEMPORARY RULES, AND TO CONSIDER WHETHER, FOR SYSTEMS THAT USE THESE NEW DEVICES, THE CURRENT REQUIREMENT THAT THE SITE MUST INCLUDE A SEPARATE REPAIR AREA CAN BE AMENDED, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Odom, Albertson, Cochrane, Horton, Jenkins, Kinnaird, Martin of Pitt, Perdue and Phillips:

S.B. 1304, A BILL TO BE ENTITLED AN ACT TO DIRECT THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO STUDY ISSUES RELATED TO THE PHASEOUT OF ANAEROBIC LAGOONS AND SPRAYFIELDS AS THE PRIMARY METHODS OF DISPOSING OF ANIMAL WASTE AT SWINE FARMS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Odom, Albertson, Jenkins, Kinnaird, Martin of Pitt and Perdue:

S.B. 1305, A BILL TO BE ENTITLED AN ACT TO AMEND THE CURRENT LAW REGARDING THE CONTROL OF CHILDHOOD LEAD EXPOSURE, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Odom, Albertson, Cochrane, Horton, Jenkins, Kinnaird, Martin of Pitt and Perdue:

S.B. 1306, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE CONSERVATION GRANT FUND AND TO APPROPRIATE FUNDS FOR TWO POSITIONS FOR THE CONSERVATION EASEMENTS PROGRAM, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Odom, Dannelly, Rucho and Winner:

S.B. 1307, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE CONSTRUCTION, PLANNING AND DESIGN OF TWO ACADEMIC FACILITIES AT THE UNIVERSITY OF NORTH CAROLINA AT CHARLOTTE.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Warren, Martin of Guilford, Odom and Rand:

S.B. 1308, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO CONTINUE THE STRIKE OUT STROKE PROJECT IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, AS RECOMMENDED BY THE HEART DISEASE AND STROKE PREVENTION TASK FORCE.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Warren, Gulley, Hoyle, Ledbetter, Martin of Guilford, Odom and Rand:

S.B. 1309, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE "BE ACTIVE NORTH CAROLINA (BANC)" INITIATIVE AS RECOMMENDED BY THE HEART DISEASE AND STROKE PREVENTION TASK FORCE.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Warren, Gulley, Hoyle, Ledbetter, Martin of Guilford, Odom and Rand:

S.B. 1310, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE ESTABLISHMENT OF A CARDIOVASCULAR HEALTH DATA UNIT AS RECOMMENDED BY THE HEART DISEASE AND STROKE PREVENTION TASK FORCE.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Rand and Gulley:

S.B. 1311, A BILL TO BE ENTITLED AN ACT TO RESERVE FOUR PERCENT OF THE UNRESERVED CREDIT BALANCE IN THE GENERAL FUND AT THE END OF EACH FISCAL YEAR TO THE HOUSING TRUST FUND AND TO RESERVE TWO PERCENT OF THE UNRESERVED CREDIT BALANCE IN THE GENERAL FUND AT THE END OF EACH FISCAL YEAR TO THE DEPARTMENT OF COMMERCE FOR THE CENTER FOR COMMUNITY SELF-HELP.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Allran:

S.B. 1312, A BILL TO BE ENTITLED AN ACT TO ALLOW CATAWBA AND LINCOLN COUNTIES TO ACQUIRE PROPERTY FOR USE BY THEIR COUNTY BOARDS OF EDUCATION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Kinnaird, Albertson, Blust, Cochrane, Foxx, Horton, Jenkins, Lucas, Odom, Perdue, Phillips, Reeves and Weinstein:

S.B. 1313, A BILL TO BE ENTITLED AN ACT TO STRENGTHEN THE SEDIMENTATION POLLUTION CONTROL ACT OF 1973, AS RECOMMENDED BY THE SEDIMENTATION CONTROL COMMISSION AND THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Kinnaird, Albertson, Cochrane, Dalton, Foxx, Jenkins, Lucas, Odom, Perdue, Phillips and Weinstein:

S.B. 1314, A BILL TO BE ENTITLED AN ACT TO ALLOW STATE AGENCIES TO RETAIN RECEIPTS FROM THE SALE OF RECYCLABLE MATERIALS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Kinnaird, Albertson, Blust, Dalton, Foxx, Jenkins, Lucas, Odom, Perdue, Phillips, Reeves and Weinstein:

S.B. 1315, A BILL TO BE ENTITLED AN ACT TO DIRECT THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO STUDY ISSUES RELATING TO ABANDONED ANIMAL WASTE MANAGEMENT SYSTEM LAGOONS AND THE PROPER CLOSURE OF THOSE LAGOONS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Kinnaird, Albertson, Cochrane, Foxx, Horton, Jenkins, Lucas, Odom, Perdue and Phillips:

S.B. 1316, A BILL TO BE ENTITLED AN ACT TO AMEND THE INCOME TAX CREDIT FOR REAL PROPERTY DONATED FOR CONSERVATION PURPOSES TO ALLOW THE INDIVIDUAL INCOME TAXPAYER TO ADD BACK FOUR TIMES THE AMOUNT CLAIMED AS A CREDIT EACH TAX YEAR THE TAXPAYER CLAIMS A CREDIT, WHICH AMOUNT REPRESENTS THE PORTION OF THE FAIR MARKET VALUE OF THE DONATED PROPERTY INTEREST THAT REPRESENTS THE AMOUNT OF THE CREDIT CLAIMED FOR THAT TAX YEAR, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Lee, Hartsell, Lucas and Winner:

S.B. 1317, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS TO ESTABLISH A PILOT PROGRAM TO ADD INSTRUCTIONAL DAYS AND INCREASE FLEXIBILITY.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Lee, Hartsell, Lucas and Winner:

S.B. 1318, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS TO DIRECT THE STATE BOARD OF EDUCATION TO ADOPT RULES PRESCRIBING THE EXTRACURRICULAR DUTIES ASSIGNED TO FIRST-YEAR TEACHERS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Lee:

S.B. 1319, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS TO ENCOURAGE LOCAL BOARDS OF EDUCATION TO PROVIDE YEAR-ROUND SCHOOLS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Lee and Wellons:

S.B. 1320, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE LEGISLATIVE COMMISSION ON PUBLIC SCHOOLS TO MAKE CHANGES IN LAWS, POLICIES, AND ADMINISTRATION TO IMPROVE THE QUALITY OF EDUCATION AND SAFETY IN THE STATE RESIDENTIAL SCHOOLS, TO IMPLEMENT THE ABC'S PROGRAM IN THE RESIDENTIAL SCHOOLS, TO AUTHORIZE STUDIES OF ISSUES OF CONCERN TO BLIND AND DEAF STUDENTS, TO REQUIRE AN AUDIT OF THE DIVISION OF SERVICES FOR THE DEAF AND HARD OF HEARING, TO REQUIRE THE DEVELOPMENT OF A THREE-YEAR PLAN TO ADDRESS THE CAPITAL NEEDS OF THE GOVERNOR MOREHEAD SCHOOL AND THE THREE STATE SCHOOLS FOR THE DEAF, AND TO MAKE APPROPRIATIONS TO IMPLEMENT THIS ACT.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Martin of Guilford and Phillips:

S.B. 1321, A BILL TO BE ENTITLED AN ACT TO AMEND THE LAW REGARDING THE BIOMETRIC IDENTIFICATION SYSTEM TO MAKE NECESSARY TECHNICAL CORRECTIONS, AS RECOMMENDED BY THE JOINT LEGISLATIVE PUBLIC ASSISTANCE COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Martin of Guilford, Perdue and Plyler:

S.B. 1322, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE ASSISTIVE TECHNOLOGY PROJECT.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Martin of Guilford and Phillips:

S.B. 1323, A BILL TO BE ENTITLED AN ACT TO MAKE CERTAIN CORRECTIONS TO THE WELFARE LAWS, AS RECOMMENDED BY THE JOINT LEGISLATIVE PUBLIC ASSISTANCE COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Martin of Guilford and Cooper:

S.B. 1324, A BILL TO BE ENTITLED AN ACT TO REGULATE THE OFF-PREMISE SALES OF MALT BEVERAGES IN KEGS AND MAKE BEER CONSUMPTION BY ANY PERSON UNDER TWENTY-ONE YEARS OF AGE A MISDEMEANOR.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Martin of Guilford and Phillips:

S.B. 1325, A BILL TO BE ENTITLED AN ACT TO REWRITE CERTAIN PROVISIONS OF THE JUVENILE CODE AND OF THE LAW ON TERMINATION OF PARENTAL RIGHTS TO IMPROVE THE TIMELINE OF COURT PROCEEDINGS AFFECTING CHILDREN ALLEGED TO BE ABUSED,

NEGLECTED, OR DEPENDENT AND TO ALLOW TERMINATION OF PARENTAL RIGHTS TO BE AN ACTION IN A CASE OF ABUSE, NEGLECT, OR DEPENDENCY, AS RECOMMENDED BY THE CHILD FATALITY TASK FORCE.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Purcell, Clark, Dalton, Garwood, Hartsell, Ledbetter, Lee, Moore, Plyler and Winner:

S.B. 1326, A BILL TO BE ENTITLED AN ACT TO EXTEND FOR ONE YEAR THE DEADLINE FOR MATCHING COMMUNITY COLLEGE BOND FUNDS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Dalton, Cooper, Hoyle, Martin of Pitt, Phillips, Plyler, Purcell and Warren:

S.B. 1327, A BILL TO BE ENTITLED AN ACT TO PRESERVE THE TAX-EXEMPT STATUS FOR PIPED NATURAL GAS SOLD BY MUNICIPALITIES, TO MAKE THE TAXES ON OTHER SALES OF PIPED NATURAL GAS MORE UNIFORM, AND TO LIMIT THE SERVICE AREA A MUNICIPALITY MAY SERVE WITH PIPED NATURAL GAS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Dalton:

S.B. 1328, A BILL TO BE ENTITLED AN ACT TO CONTINUE THE JOB TRAINING STUDY COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Odom and Horton:

S.B. 1329, A BILL TO BE ENTITLED AN ACT TO REVISE AND PLACE INTO THE GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE WATER QUALITY PROGRAM, AS RECOMMENDED BY THE WATER QUALITY PROGRAMS FUNDING WORKING GROUP, TO REQUIRE THE ENVIRONMENTAL MANAGEMENT COMMISSION TO CLASSIFY THE IMPACT OF LEAKING PETROLEUM UNDERGROUND STORAGE TANKS AS EITHER AB OR CDE, AND TO PROVIDE THAT THE OWNER OR OPERATOR OF A LEAKING UNDERGROUND STORAGE TANK THAT HAS A CDE IMPACT SHALL NOT BE REQUIRED TO CLEAN UP THE DISCHARGE OR RELEASE, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Odom and Horton:

S.B. 1330, A BILL TO BE ENTITLED AN ACT TO REVISE AND PLACE INTO THE GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE WATER QUALITY PROGRAM, AS RECOMMENDED BY THE WATER QUALITY PROGRAMS FUNDING WORKING GROUP AND THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk

pending referral to committee.

By Senators Horton and Cochrane:

S.B. 1331, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE ENVIRONMENTAL MANAGEMENT COMMISSION TO CLASSIFY THE IMPACT OF LEAKING PETROLEUM UNDERGROUND STORAGE TANKS AS EITHER AB OR CDE AND TO PROVIDE THAT THE OWNER OR OPERATOR OF A LEAKING UNDERGROUND STORAGE TANK THAT HAS A CDE IMPACT SHALL NOT BE REQUIRED TO CLEAN UP THE DISCHARGE OR RELEASE, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Hartsell:

S.B. 1332, A BILL TO BE ENTITLED AN ACT RELATING TO THE TWENTY-SECOND SENATORIAL DISTRICT.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Hartsell:

S.B. 1333, A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF LANDIS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Cooper and Rand:

S.B. 1334, A BILL TO BE ENTITLED AN ACT TO PROVIDE SALARY CONTINUATION BENEFITS FOR UNIVERSITY SYSTEM CAMPUS LAW ENFORCEMENT OFFICERS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Martin of Guilford:

S.B. 1335, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE NORTH CAROLINA INSTITUTE OF MEDICINE.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Odom, Blust, Forrester, Jenkins, McDaniel and Phillips:

S.B. 1336, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE GOVERNOR'S DWI TASK FORCE AND THE JOINT CORRECTIONS AND CRIME CONTROL OVERSIGHT COMMITTEE TO REVISE THE DWI FORFEITURE LAWS AND OTHER RELATED LAWS; TO PROVIDE FOR "ZERO-TOLERANCE" FOR COMMERCIAL DRIVERS, DRIVERS OF SCHOOL BUSES, SCHOOL ACTIVITY BUSES AND CHILD CARE VEHICLES, AND TO PROVIDE FOR IMMEDIATE ADMINISTRATIVE LICENSE REVOCATIONS FOR ALL PERSONS UNDER 21 YEARS OF AGE; AND TO ELIMINATE THE INFRACTION TREATMENT OF PURCHASE OR POSSESSION OF ALCOHOLIC BEVERAGES BY A 19 OR 20 YEAR OLD AND TO MAKE CONFORMING CHANGES.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

On motion of Senator Lee, seconded by Senator Forrester, the Senate adjourns at 7:08 P.M., subject to the reading of introductions of bills, to meet tomorrow, Tuesday, May 26, at 2:00 P.M.

ONE HUNDRED THIRTY-THIRD DAY

Senate Chamber
Tuesday, May 26, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by Dr. Ronald W. Rowe, Pastor of Bay Leaf Baptist Church, Raleigh, North Carolina, as follows:

"Lord, on this day, after Memorial Day, we remember those who died to give to us the liberty to assemble and vote our conscience.

"We're thankful for the privilege to call North Carolina our home. From the mountains of Asheville to the Albemarle Sound, we are indeed a most blessed people. Lord, You have entrusted this assembly with the enormous responsibility of governing the people of our State. In their deliberations, grant to them Your divine wisdom. In their debates grant to them fairness and understanding. In their decisions, grant to them courage to always do what is right.

"We pray today for our Governor and his family, our Lieutenant Governor and his family, for our State Senators and their families, and all the support staff and their families. May each one experience Your divine intervention in the personal needs of their lives.

"May this be a day of honesty and integrity, of fairness and kindness. Lord, may each of us take every opportunity to make North Carolina a better place to live and raise our families. In the Name of our Lord and Savior, we pray. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Foxx, Senator Jordan, and Senator McDaniel.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Monday, May 25, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Paul Wayne Kendrick from Greenville, North Carolina, who is serving the Senate as Doctor of the Day, and to Dona Caine from Raleigh, North Carolina, who is serving the Senate as Nurse of the Day.

Upon motion of Senator Webster of Caswell County, the President of the Senate extends the courtesies of the gallery to Chief Senior Airman Gretchen Kainz and Senior

Airman Noel Webster (son of Senator Webster), visiting from Kelly Air Force Base, San Antonio, Texas.

REPORT OF COMMITTEE

A bill is reported from a standing committee, read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Soles for the **Commerce Committee**:

S.B. 1114, A BILL TO BE ENTITLED AN ACT TO REENACT THE 1986 LAW PROVIDING FOR RISK-SHARING PLANS, TO AMEND THE IMMUNITY STATUTES FOR THE FAIR AND BEACH PLANS, AND TO MAKE A TECHNICAL AMENDMENT IN THE BEACH PLAN LAWS, with a favorable report.

INTRODUCTION OF BILLS

Bills filed for introduction are presented to the Senate, read the first time, and disposed of, as follows:

By Senators Lee and Wellons:

S.B. 1337, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR SCHOOL NURSES.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Martin of Guilford, Blust and Shaw of Guilford:

S.B. 1338, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR CONSTRUCTION OF A NEW GUILFORD COUNTY JUVENILE DETENTION FACILITY.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Martin of Guilford, Blust and Shaw of Guilford:

S.B. 1339, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO ESTABLISH A TEEN COURT PROGRAM IN GUILFORD COUNTY.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Martin of Guilford:

S.B. 1340, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO SIT-IN MOVEMENT, INC., FOR THE CONSTRUCTION AND RENOVATION OF THE INTERNATIONAL CIVIL RIGHTS CENTER AND MUSEUM.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Martin of Guilford and Dannelly:

S.B. 1341, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE

SERVICES AND FOR CAPITAL IMPROVEMENTS AND OTHER ONE-TIME REQUESTS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

PERSONAL PRIVILEGE

Senator Kinnaird rises to a point of personal privilege and recognizes the Shambley family from Orange County, who received the North Carolina Conservation Farm Family Award for 1998 from Governor James B. Hunt Jr.

On motion of Senator Basnight, seconded by Senator Hoyle, the Senate adjourns at 2:16 P.M. to meet tomorrow, Wednesday, May 27, at 2:00 P.M.

ONE HUNDRED THIRTY-FOURTH DAY

Senate Chamber
Wednesday, May 27, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Richard J. Williams, Permanent Deacon of United Methodist Church, Centenary Church, Smithfield, North Carolina , as follows:

" Our Father, as we come into Your presence this afternoon, we give You thanks for our home State, North Carolina. Today, we come lifting up the Senate.

"Holy Spirit, who has promised to lead us into all truth, prepare the hearts and minds of these chosen leaders for the business of this day, that they may behave with true courtesy and honor.

"Compel them to be just and honest in their dealings. Let their motives be above suspicion. Let their word be their bond. Save them from the fallacy of depending upon their personality or position to solve problems.

"Since You have the answers, may they be willing to listen to You, that they may vote on God's side and that God's Will may be done through them. We offer these prayers. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Jordan, Senator Perdue, and Senator Soles.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Tuesday, May 26, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Benjamin Warren Goodman from Hickory, North Carolina, who is serving the Senate as Doctor of the Day, and to Teresa Banks from Raleigh, North Carolina, who is serving the Senate as Nurse of the Day.

INTRODUCTION OF A BILL

Senator Ballance offers a motion that Rule 40 be suspended to allow the introduction of the following bill which was filed today, which motion prevails by a two-thirds majority vote.

By Senators Ballance and Cooper:

S.B. 1420, A BILL TO BE ENTITLED AN ACT TO PERMIT THE SHORT-TERM USE OF MOBILE STRUCTURES WHEN NONRESIDENTIAL STRUCTURES ARE DAMAGED BY FIRE OR ACTS OF GOD.

Referred to **State Government, Local Government, and Personnel Committee.**

Senator Ballance offers a motion that the Senate recess to allow the **State Government, Local Government, and Personnel Committee** to meet to consider **S.B. 1420**, which motion prevails, with unanimous consent.

The Senate recesses at 2:15 P.M. for the purpose of a meeting of the **State Government, Local Government, and Personnel Committee,** to reconvene at 2:20 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

SPECIAL MESSAGE FROM THE GOVERNOR

The following special message is received from the Office of the Governor:

STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR
RALEIGH 27603-8001

JAMES B. HUNT JR.
GOVERNOR

May 22, 1998

The Honorable Dennis Wicker
President of the Senate
State Capitol
Raleigh, North Carolina 27601

Dear Mr. President:

Pursuant to General Statute 62-10, I hereby appoint Samuel James Ervin, IV to serve as a member of the North Carolina Utilities Commission and submit his name for confirmation by the North Carolina General Assembly. Mr. Ervin's term will begin immediately upon confirmation and will expire June 30, 1999.

Enclosed is biographical information on Mr. Ervin. Please feel free to call on him or members of my staff if you need additional information.

My warmest personal regards.

Sincerely,

S/James B. Hunt Jr.

JBH:rh
Enclosure

cc: The Honorable Harold Brubaker
The Honorable Marc Basnight
Ms. Janet Pruitt
Ms. Denise Weeks

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Hoyle for the **Finance Committee**:

S.B. 1229, A BILL TO BE ENTITLED AN ACT TO ABOLISH TAX WAIVERS FOR THE TRANSFER OR DELIVERANCE OF A DECEDENT'S PROPERTY, with a favorable report, as amended.

Pursuant to Rule 45.1, the proposed Committee Amendment is adopted. The bill, as amended, is engrossed.

With unanimous consent, on motion of Senator Hoyle, the bill is placed on the Calendar for Tuesday, June 2, 1998, for second reading.

S.B. 1230, A BILL TO BE ENTITLED AN ACT TO EXEMPT RACING GASOLINE FROM THE PER GALLON EXCISE TAX, TO CLARIFY THE TAXATION OF KEROSENE, AND TO MAKE OTHER CHANGES IN THE MOTOR FUEL TAX LAWS, with a favorable report, as amended.

Pursuant to Rule 45.1, the proposed Committee Amendment is adopted. The bill, as amended, is engrossed.

With unanimous consent, on motion of Senator Hoyle, the bill is placed on the Calendar for Tuesday, June 2, 1998, for second reading.

By Senator Miller for the **State Government, Local Government and Personnel Committee**:

S.B. 1103, A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FRANKLIN, with a favorable report.

Pursuant to Rule 43, the bill is re-referred to the **Finance Committee**.

S.B. 1123, A BILL TO BE ENTITLED AN ACT ABOLISHING THE OFFICE OF CORONER IN GASTON COUNTY, with a favorable report.

With unanimous consent, on motion of Senator Miller, the bill is placed on the Calendar for Monday, June 1, for second reading.

S.B. 1222, A BILL TO BE ENTITLED AN ACT TO ANNEX THE MECK NECK AREA OF MECKLENBURG COUNTY TO IREDELL COUNTY, with a favorable report.

On motion of Senator Miller, the bill is re-referred to the **Finance Committee**.

S.B. 1420, A BILL TO BE ENTITLED AN ACT TO PERMIT THE SHORT-TERM USE OF MOBILE STRUCTURES WHEN NONRESIDENTIAL STRUCTURES ARE DAMAGED BY FIRE OR ACTS OF GOD, with a favorable report.

With unanimous consent, on motion of Senator Ballance, the bill is placed before the Senate for immediate consideration upon its passage.

Senator Webster offers Amendment No. 1 which is adopted (43-0).

The bill, as amended, passes its second and third readings and is ordered engrossed and sent to the House of Representatives.

Senator Rand offers a motion to suspend Rule 7 to the end that the introduction of the remaining bills be placed as the last order of business today, which motion prevails.

CALENDAR

A bill on today's Calendar is taken up and disposed of, as follows:

S.B. 1114, A BILL TO BE ENTITLED AN ACT TO REENACT THE 1986 LAW PROVIDING FOR RISK-SHARING PLANS, TO AMEND THE IMMUNITY STATUTES FOR THE FAIR AND BEACH PLANS, AND TO MAKE A TECHNICAL AMENDMENT IN THE BEACH PLAN LAWS, upon second reading.

With unanimous consent, on motion of Senator Ballance, the bill is withdrawn from today's Calendar and is placed on the Calendar for Monday, June 1, for second reading.

INTRODUCTION OF BILLS (*Continued*)

Bills filed for introduction are presented to the Senate, read the first time, and disposed of, as follows:

By Senator Shaw of Guilford:

S.B. 1342, A BILL TO BE ENTITLED AN ACT TO AMEND STATE LAW DIRECTLY AND PRIMARILY AFFECTING THE BUDGET.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Shaw of Guilford:

S.B. 1343, A BILL TO BE ENTITLED AN ACT TO AMEND THE LAW RELATING TO GUILFORD COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Foxx:

S.B. 1344, A BILL TO BE ENTITLED AN ACT RELATING TO ALLEGHANY COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Foxx:

S.B. 1345, A BILL TO BE ENTITLED AN ACT RELATING TO ASHE COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Foxx:

S.B. 1346, A BILL TO BE ENTITLED AN ACT RELATING TO SURRY COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Foxx:

S.B. 1347, A BILL TO BE ENTITLED AN ACT RELATING TO WATAUGA COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Kerr:

S.B. 1348, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CULTURAL RESOURCES FOR PRESERVING AND MAINTAINING THE STATE'S CIVIL WAR SITES.

Referred to **Appropriations Committee.**

By Senator Kerr:

S.B. 1349, A BILL TO BE ENTITLED AN ACT TO PROVIDE MOTOR FUEL TAX EQUITY TO FACILITATE THE USE OF CLEAN BURNING FUELS.

Referred to **Finance Committee.**

By Senator Kerr:

S.B. 1350, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE CONTINUED OPERATION OF THE METHODIST HOME FOR CHILDREN'S "BRIDGES PROJECT".

Referred to **Appropriations Committee.**

By Senator Kerr:

S.B. 1351, A BILL TO BE ENTITLED AN ACT AUTHORIZING THE DELETION OF LAND AT WAYNESBOROUGH STATE PARK FROM THE STATE PARKS SYSTEM AND ITS SALE TO THE CITY OF GOLDSBORO.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senator Kerr:

S.B. 1352, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE CONSTRUCTION AND THE FINANCING, WITHOUT APPROPRIATIONS FROM THE GENERAL FUND, OF CERTAIN CAPITAL IMPROVEMENTS PROJECTS OF THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA.

Referred to **Appropriations Committee.**

By Senators Martin of Guilford and Cooper:

S.B. 1353, A BILL TO BE ENTITLED AN ACT TO REGULATE THE OFF-PREMISE SALES OF MALT BEVERAGES IN KEGS AND MAKE BEER CONSUMPTION BY ANY PERSON UNDER TWENTY-ONE

YEARS OF AGE A MISDEMEANOR.

Referred to **Judiciary Committee**.

By Senators Kerr, Albertson, Ballance, Ballantine, Carpenter, Carrington, Cochrane, Cooper, Dalton, East, Forrester, Garwood, Gulley, Hartsell, Hoyle, Jenkins, Kinnaird, Lee, Lucas, Martin of Guilford, Martin of Pitt, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, Wellons and Winner:

S.B. 1354, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS CRITICAL STATEWIDE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS, LOANS, AND REVOLVING LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY AND DISTRIBUTION SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, WATER CONSERVATION PROJECTS, AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES.

Referred to **Finance Committee**.

By Senator Foxx:

S.B. 1355, A BILL TO BE ENTITLED AN ACT TO DISAPPROVE AN ADMINISTRATIVE RULE ADOPTED BY THE BOARD OF PHARMACY.

Referred to **Commerce Committee**.

By Senator Foxx:

S.B. 1356, A BILL TO BE ENTITLED AN ACT TO MODIFY THE COMPOSITION OF THE BOONE TOURISM DEVELOPMENT AUTHORITY.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senators Plyler and Purcell:

S.B. 1357, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE OPERATION OF THE YADKIN/PEE DEE LAKES PROJECT.

Referred to **Appropriations Committee**.

By Senators Plyler and Purcell:

S.B. 1358, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO IMPROVE SERVICES TO STUDENTS FOR WHOM ENGLISH IS A SECOND LANGUAGE.

Referred to **Appropriations Committee**.

By Senators Plyler and Purcell:

S.B. 1359, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR SCHOOL TECHNOLOGY.

Referred to **Appropriations Committee**.

By Senators Plyler and Purcell:

S.B. 1360, A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senators Plyler and Purcell:

S.B. 1361, A BILL TO BE ENTITLED AN ACT TO ENACT LOCAL LEGISLATION FOR THE SEVENTEENTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Plyler and Purcell:

S.B. 1362, A BILL TO BE ENTITLED AN ACT TO ENACT LOCAL LEGISLATION FOR THE SEVENTEENTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Plyler and Purcell:

S.B. 1363, A BILL TO BE ENTITLED AN ACT TO ENACT LOCAL LEGISLATION FOR THE SEVENTEENTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Plyler and Purcell:

S.B. 1364, A BILL TO BE ENTITLED AN ACT TO ENACT LOCAL LEGISLATION FOR THE SEVENTEENTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Plyler and Purcell:

S.B. 1365, A BILL TO BE ENTITLED AN ACT TO ENACT LOCAL LEGISLATION FOR THE SEVENTEENTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Plyler, Perdue and Odom:

S.B. 1366, A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.

Referred to **Appropriations Committee**.

By Senator Hartsell:

S.B. 1367, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE OFFICE OF ADMINISTRATIVE HEARINGS FOR NEW ADMINISTRATIVE LAW JUDGE POSITIONS.

Referred to **Appropriations Committee**.

By Senator Ballantine:

S.B. 1368, A BILL TO BE ENTITLED AN ACT TO DELAY THE SUNSET ON THE QUALIFIED BUSINESS INVESTMENT TAX CREDITS.

Referred to **Finance Committee**.

By Senator Ballantine:

S.B. 1369, A BILL TO BE ENTITLED AN ACT RELATING TO THE FOURTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Ballantine:

S.B. 1370, A BILL TO BE ENTITLED AN ACT RELATING TO THE FOURTH

SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Ballantine:

S.B. 1371, A BILL TO BE ENTITLED AN ACT RELATING TO THE FOURTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Ballantine:

S.B. 1372, A BILL TO BE ENTITLED AN ACT RELATING TO THE FOURTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Martin of Pitt and Albertson:

S.B. 1373, A BILL TO BE ENTITLED AN ACT TO DISAPPROVE AN ADMINISTRATIVE RULE ADOPTED BY THE ENVIRONMENTAL MANAGEMENT COMMISSION REGARDING THE TAR-PAMLICO RIVER BASIN.

Referred to **Agriculture/Environment/Natural Resources Committee.**

By Senator Martin of Pitt:

S.B. 1374, A BILL TO BE ENTITLED AN ACT RELATING TO THE SIXTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Martin of Pitt:

S.B. 1375, A BILL TO BE ENTITLED AN ACT RELATING TO THE SIXTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Martin of Pitt and Albertson:

S.B. 1376, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE ERADICATION OF PSEUDORABIES.

Referred to **Appropriations Committee.**

By Senators Martin of Pitt and Albertson:

S.B. 1377, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR MARKETING NORTH CAROLINA GROWN PRODUCTS.

Referred to **Appropriations Committee.**

By Senators Martin of Pitt and Albertson:

S.B. 1378, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR STRUCTURAL PEST CONTROL ENFORCEMENT.

Referred to **Appropriations Committee.**

By Senators Lee and Winner:

S.B. 1379, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR NORTH CAROLINA MEMORIAL HOSPITAL TO USE TO COMPLY WITH CERTAIN RECOMMENDATIONS OF THE BOARD OF GOVERNORS.

Referred to **Appropriations Committee.**

By Senator Martin of Guilford:

S.B. 1380, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE COOPERATIVE EXTENSION PROGRAM AT NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE UNIVERSITY.

Referred to **Appropriations Committee**.

By Senator Martin of Guilford:

S.B. 1381, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR INTENSIVE FAMILY PRESERVATION PROGRAMS IN SIX ADDITIONAL COUNTIES.

Referred to **Appropriations Committee**.

By Senators Warren, Albertson, Ballance, Carpenter, Dannelly, Forrester, Gulley, Hartsell, Hoyle, Kinnaird, Ledbetter, Lucas, Martin of Guilford, Phillips, Plyler, Purcell, Rucho and Weinstein:

S.B. 1382, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR DIABETES CONTROL ACTIVITIES.

Referred to **Appropriations Committee**.

By Senator Gulley:

S.B. 1383, A BILL TO BE ENTITLED AN ACT TO MAKE APPROPRIATIONS.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Gulley:

S.B. 1384, A BILL TO BE ENTITLED AN ACT TO MAKE APPROPRIATIONS.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Gulley:

S.B. 1385, A BILL TO BE ENTITLED AN ACT TO MAKE STATE TAXES SIMPLER AND FAIRER BY REPEALING THE NORTH CAROLINA INHERITANCE TAX AND SUBSTITUTING A STATE ESTATE TAX BASED ON THE FEDERAL STATE DEATH TAX CREDIT.

Referred to **Finance Committee**.

By Senators Gulley and Hartsell:

S.B. 1386, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO ASSIST APPROVED CHARTER SCHOOLS TO MEET THEIR START-UP COSTS.

Referred to **Appropriations Committee**.

By Senators Albertson, Kerr, Martin of Pitt, Warren and Wellons:

S.B. 1387, A BILL TO BE ENTITLED ACT TO APPROPRIATE FUNDS FOR PESTICIDE AND FOOD LABORATORY EXPANSION.

Referred to **Appropriations Committee**.

By Senators Albertson and Weinstein:

S.B. 1388, A BILL TO BE ENTITLED AN ACT RELATING TO SAMPSON COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Hoyle and Forrester:

S.B. 1389, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR CAPITAL EXPENDITURES AT THE NORTH CAROLINA CENTER FOR APPLIED TEXTILE TECHNOLOGY.

Referred to **Appropriations Committee**.

By Senators Hoyle, Cochrane and Plyler:

S.B. 1390, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE REQUIREMENTS FOR INSPECTIONS AND ISSUANCE OF BRANDED TITLES FOR CERTAIN MOTOR VEHICLES.

Referred to **Finance Committee**.

By Senator Hoyle:

S.B. 1391, A BILL TO BE ENTITLED AN ACT TO EXEMPT FROM GROSS PREMIUMS TAX CERTAIN NONPROFIT INSURANCE COMPANIES PROVIDING INSURANCE ONLY TO NONPROFIT ENTITIES.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Weinstein, Plyler, Purcell, Shaw of Cumberland and Soles:

S.B. 1392, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE CONSTRUCTION OF THE SOUTHEASTERN NORTH CAROLINA AGRICULTURAL CENTER AND HORSE ARENA IN ROBESON COUNTY.

Referred to **Appropriations Committee**.

By Senators Horton, Albertson, Ballance, Ballantine, Carpenter, Carrington, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Hoyle, Jenkins, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, Martin of Pitt, Miller, Moore, Odom, Page, Perdue, Plyler, Purcell, Reeves, Shaw of Cumberland, Shaw of Guilford, Warren, Weinstein and Winner:

S.B. 1393, A BILL TO BE ENTITLED AN ACT TO EXTEND THE HISTORIC REHABILITATION TAX CREDIT TO THE GROSS PREMIUMS TAX AND TO ALLOW THE TAX TO BE ALLOCATED BY A PASS-THROUGH ENTITY TO ITS OWNERS.

Referred to **Finance Committee**.

By Senators Lucas, Moore, Ballance, Ballantine, Hartsell, Martin of Guilford, Rucho, Shaw of Cumberland, Shaw of Guilford, Warren, Weinstein and Winner:

S.B. 1394, A BILL TO BE ENTITLED AN ACT TO AMEND THE ADOPTION LAWS PERTAINING TO ACCESS TO ADOPTION RECORDS, AND TO ESTABLISH AN ADOPTION REGISTRY.

Referred to **Children & Human Resources Committee.**

By Senator Reeves:

S.B. 1395, A BILL TO BE ENTITLED AN ACT TO INCREASE THE NUMBER OF SCHOOL ADMINISTRATOR PROGRAMS THAT MAY BE ESTABLISHED BY THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA.

Referred to **Education/Higher Education Committee**.

By Senators Reeves and Miller:

S.B. 1396, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO

THE RALEIGH CITY MUSEUM FOR COSTS INCURRED IN MOVING THE MUSEUM TO A NEW LOCATION.

Referred to **Appropriations Committee**.

By Senators Gulley and Lucas:

S.B. 1397, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE COUNTY OF DURHAM TO ALLOW FEES FOR STORMWATER MAINTENANCE, REPAIR, AND IMPROVEMENTS TO BE PAID OVER TIME AND BECOME A LIEN ON REAL PROPERTY.

Referred to **Finance Committee**.

By Senators Gulley and Lucas:

S.B. 1398, A BILL TO BE ENTITLED AN ACT TO AMEND CHAPTER 168 OF THE 1939 PUBLIC-LOCAL LAWS, AS PREVIOUSLY AMENDED, WHICH ENABLED THE ESTABLISHMENT OF THE RALEIGH-DURHAM AIRPORT AUTHORITY, TO ALLOW THE AUTHORITY TO CONTRACT WITH PRIVATE PARTIES FOR THE DEVELOPMENT, CONSTRUCTION, AND OCCUPANCY OF SPECIAL USER PROJECTS WITHOUT COMPLYING WITH ARTICLE 8 OF CHAPTER 143 OF THE GENERAL STATUTES.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senators Gulley and Lucas:

S.B. 1399, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF DURHAM TO PARTICIPATE IN THE COST OF STORM DRAINAGE IMPROVEMENTS ON PRIVATE PROPERTY AND TO ALLOW PRIVATE PARTIES TO PAY OVER TIME FOR THEIR PORTION OF THE COST OF THE IMPROVEMENTS.

Referred to **Finance Committee**.

By Senators Clark, Allran, Ballantine, Blust, Carpenter, Cochrane, East, Forrester, Foxx, Garwood, Hartsell, Horton, Ledbetter, Moore, Page, Rucho, Shaw of Guilford and Webster:

S.B. 1400, A BILL TO BE ENTITLED AN ACT TO REPEAL THE STATE AND LOCAL SALES TAX ON FOOD AND TO REIMBURSE LOCAL GOVERNMENTS FOR THE RESULTING REVENUE LOSS.

Referred to **Finance Committee**.

COMMITTEE REFERRALS

Bills introduced on Monday, May 25, and Tuesday, May 26, and ordered held in the Office of the Principal Clerk, pursuant to Rule 43, pending referral by the Chairman of the **Rules and Operations of the Senate Committee**, are referred to Committees as follows:

By Senator Plyler:

S.B. 1261, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Plyler:

S.B. 1262, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Plyler:

S.B. 1263, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Shaw of Cumberland:

S.B. 1264, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF COMMERCE TO PROVIDE ECONOMIC INCENTIVES TO NORTH CAROLINA CITIES VYING TO HOST THE CENTRAL INTERCOLLEGIATE ATHLETIC ASSOCIATION (CIAA) BASKETBALL TOURNAMENT.

Referred to **Appropriations Committee.**

By Senator Ballantine:

S.B. 1265, A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE BEACH RENOURISHMENT FUND, TO ESTABLISH THE TRUSTEES OF THE FUND, TO RESERVE FIVE PERCENT OF THE UNRESERVED CREDIT BALANCE IN THE GENERAL FUND AT THE END OF EACH FISCAL YEAR TO THE BEACH RENOURISHMENT FUND, AND TO MAKE CONFORMING STATUTORY CHANGES.

Referred to **Agriculture/Environment/Natural Resources Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senator Ballantine:

S.B. 1266, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO ASSIST WITH THE RELOCATION OF THREATENED STRUCTURES AND TO ACQUIRE COASTAL SHORELINE PROPERTY RENDERED UNBUILDABLE UNDER CAMA RULES BY BEACH EROSION.

Referred to **Appropriations Committee.**

By Senators Kinnaird, Ballance, Blust, Clark, Dalton, Foxx, Garwood, Horton, Jordan, Ledbetter, Lee, Lucas, Moore, Phillips, Purcell, Rand, Rucho, Shaw of Cumberland and Weinstein:

S.B. 1267, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE DEPARTMENT OF TRANSPORTATION TO CONSTRUCT ACCESS ROADS TO PUBLIC SCHOOLS AND TO PROVIDE AREAS FOR OFF-STREET DROP-OFF OF STUDENTS.

Referred to **Education/Higher Education Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senators Kinnaird, Jenkins, Odom and Phillips:

S.B. 1268, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO IMPROVE THE IMPLEMENTATION OF THE SEDIMENTATION POLLUTION CONTROL ACT OF 1973, AS RECOMMENDED BY THE SEDIMENTATION CONTROL COMMISSION AND THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Appropriations Committee.**

By Senators Kinnaird, Jenkins, Odom and Phillips:

S.B. 1269, A BILL TO BE ENTITLED AN ACT TO EXTEND BY SIX MONTHS THE DATE BY WHICH WELL CONTRACTORS MUST BE CERTIFIED UNDER

THE NORTH CAROLINA WELL CONTRACTORS CERTIFICATION ACT AND TO EXTEND THE TIME FOR THE ADOPTION OF RULES BY THE WELL CONTRACTORS CERTIFICATION COMMISSION, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Agriculture/Environment/Natural Resources Committee**.

By Senators Kinnaird and Jenkins:

S.B. 1270, A BILL TO BE ENTITLED AN ACT TO MODIFY DEPARTMENT OF TRANSPORTATION CONDEMNATION PROCEDURES.

Referred to **Judiciary Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senator Lee:

S.B. 1271, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS TO ESTABLISH A PILOT PROGRAM TO ADD INSTRUCTIONAL DAYS AND INCREASE FLEXIBILITY.

Referred to **Education/Higher Education Committee**.

By Senators Hoyle, Ballantine, Kerr, Martin of Pitt, Perdue and Reeves:

S.B. 1272, A BILL TO BE ENTITLED AN ACT TO INCREASE THE NUMBER OF CONTRACTORS ON THE BUILDING CODE COUNCIL AND TO REQUIRE COUNCIL TO CONSIDER THE IMPACT OF CODE CHANGES ON THE AFFORDABILITY OF RESIDENTIAL HOUSING.

Referred to **Commerce Committee**.

By Senators Horton, Cochrane and McDaniel:

S.B. 1273, A BILL TO BE ENTITLED AN ACT TO CONFORM TO GENERAL LAW THE MANNER OF APPOINTMENT OF THE TOWN ATTORNEY OF KERNERSVILLE.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senator Albertson:

S.B. 1274, A BILL TO BE ENTITLED AN ACT TO EXTEND THE TIME FOR THE RESOLUTION OF CLAIMS TO LAND UNDER NAVIGABLE WATERS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Agriculture/Environment/Natural Resources Committee**.

By Senator Albertson:

S.B. 1275, A BILL TO BE ENTITLED AN ACT TO INCREASE THE AMOUNT OF FUNDS THAT MAY BE USED TO ADMINISTER THE FISHERY RESOURCE GRANT PROGRAM, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE.

Referred to **Appropriations Committee**.

By Senators Albertson and Perdue:

S.B. 1276, A BILL TO BE ENTITLED AN ACT TO EXTEND THE MORATORIUM ON ISSUING SHELLFISH CULTIVATION LEASES IN CORE SOUND, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON

SEAFOOD AND AQUACULTURE.

Referred to **Agriculture/Environment/Natural Resources Committee**.

By Senators Dalton and Ballantine:

S.B. 1277, A BILL TO BE ENTITLED AN ACT TO AMEND THE RULES OF CIVIL PROCEDURE AND TO EXTEND THE CIVIL PROCEDURE STUDY COMMISSION.

Referred to **Judiciary Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senators Rand, Perdue, Forrester and Purcell:

S.B. 1278, A BILL TO BE ENTITLED AN ACT TO CREATE MEDICARE PROVIDER SPONSORED ORGANIZATION LICENSING.

Referred to **Finance Committee**.

By Senator Hartsell:

S.B. 1279, A BILL TO BE ENTITLED AN ACT TO MAKE VARIOUS TECHNICAL AMENDMENTS TO THE GENERAL STATUTES AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION.

Referred to **Judiciary Committee**.

By Senators Hartsell and Gulley:

S.B. 1280, A BILL TO BE ENTITLED AN ACT TO PROVIDE AN ALTERNATIVE PROCUREMENT BY COMPETITIVE PROPOSAL PROCEDURE FOR THE PURCHASE OF APPARATUS, SUPPLIES, MATERIALS, OR EQUIPMENT BY A REGIONAL PUBLIC TRANSPORTATION AUTHORITY OR A REGIONAL TRANSPORTATION AUTHORITY.

Referred to **Commerce Committee**.

By Senator Hartsell:

S.B. 1281, A BILL TO BE ENTITLED AN ACT RELATING TO THE TWENTY-SECOND SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Odom:

S.B. 1282, A BILL TO BE ENTITLED AN ACT TO INCREASE THE MEMBERSHIP ON THE ADVISORY COMMITTEE ON CANCER COORDINATION AND CONTROL.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senator Odom:

S.B. 1283, A BILL TO BE ENTITLED AN ACT TO PROVIDE STANDARDS FOR THE REGULATION OF PRIVATE PRISONS HOUSING OUT-OF-STATE INMATES, AS RECOMMENDED BY THE JOINT LEGISLATIVE CORRECTIONS AND CRIME CONTROL OVERSIGHT COMMITTEE.

Referred to **Judiciary Committee**.

By Senators Albertson and Jordan:

S.B. 1284, A BILL TO BE ENTITLED AN ACT TO AMEND THE FISHERIES

REFORM ACT OF 1997 AND RELATED MARINE FISHERIES LAWS, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE.

Referred to **Agriculture/Environment/Natural Resources Committee**.

By Senators Albertson, Horton, Ledbetter, Odom, Plyler, Warren and Weinstein:

S.B. 1285, A BILL TO BE ENTITLED AN ACT TO EXEMPT THE TRANSPORTATION OF CERTAIN AGRICULTURAL PRODUCTS FROM VARIOUS REQUIREMENTS IN CONFORMITY WITH FEDERAL REGULATIONS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Transportation Committee**.

By Senators Perdue and Rand:

S.B. 1286, A BILL TO BE ENTITLED AN ACT TO AMEND THE PHARMACY PRACTICE ACT, AS RECOMMENDED BY THE JOINT LEGISLATIVE HEALTH CARE OVERSIGHT COMMISSION.

Referred to **Commerce Committee**.

By Senators Rand and Perdue:

S.B. 1287, A BILL TO BE ENTITLED AN ACT TO MAKE NECESSARY TECHNICAL CORRECTIONS TO CHAPTER 442 OF THE 1997 SESSION LAWS, "AN ACT TO ESTABLISH ADVANCE INSTRUCTION FOR MENTAL HEALTH TREATMENT", AS RECOMMENDED BY THE JOINT LEGISLATIVE HEALTH OVERSIGHT COMMITTEE.

Referred to **Children & Human Resources Committee.**

By Senators Gulley, Perdue and Hartsell:

S.B. 1288, A BILL TO BE ENTITLED AN ACT TO PROTECT THE PRIVACY OF HEALTH INFORMATION, AS RECOMMENDED BY THE JOINT LEGISLATIVE HEALTH CARE OVERSIGHT COMMITTEE.

Referred to **Judiciary Committee**.

By Senators Gulley, Hartsell and Reeves:

S.B. 1289, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE REGIONAL TRANSIT AUTHORITIES TO USE INSTALLMENT PURCHASE FINANCING.

Referred to **Finance Committee**.

By Senators Gulley, Hartsell and Reeves:

S.B. 1290, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE CERTAIN PUBLIC ENTITIES TO PROTECT RIGHTS-OF-WAY FOR FUTURE PUBLIC TRANSIT DEVELOPMENT.

Referred to **Transportation Committee**.

By Senators Gulley and Hartsell:

S.B. 1291, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION TO CREATE TRANSPORTATION CORRIDORS AND PROTECT THEM FROM DEVELOPMENT.

Referred to **Transportation Committee**.

By Senators Reeves, Miller, Lucas, Carrington, Kinnaird, Gulley and Lee:

S.B. 1292, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE TAX OFFICIALS TO SHARE TAX INFORMATION TO FACILITATE COLLECTION OF VEHICLE RENTAL TAXES.

Referred to **Finance Committee**.

By Senators Rucho, Winner, Odom and Dannelly:

S.B. 1293, A BILL TO BE ENTITLED AN ACT TO AMEND THE MECKLENBURG OCCUPANCY TAX AND PREPARED FOOD AND BEVERAGE TAX.

Referred to **Finance Committee**.

By Senators Perdue, Albertson, Cochrane, Jenkins, Kinnaird, Martin of Pitt and Odom:

S.B. 1294, A BILL TO BE ENTITLED AN ACT TO EXTEND THE STUDY OF THE ORGANIZATIONAL STRUCTURE AND ADMINISTRATIVE PLACEMENT OF THE PROGRAMS IN THE DIVISION OF ENVIRONMENTAL HEALTH OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND TO EXPAND THE SCOPE OF THE STUDY TO INCLUDE THE ORGANIZATION, FUNCTIONS, POWERS, AND DUTIES OF THE VARIOUS BOARDS, COMMISSIONS, AND COUNCILS HAVING JURISDICTION OVER ENVIRONMENTAL, PUBLIC HEALTH, AND NATURAL RESOURCES PROGRAMS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Agriculture/Environment/Natural Resources Committee**.

By Senators Perdue, Albertson, Kinnaird and Martin of Pitt:

S.B. 1295, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO MONITOR AND MODEL THE NEUSE RIVER AND ESTUARY UNDER THE NEUSE RIVER MODELING AND MONITORING (MODMON) PROJECT, DEVELOP A HYDRODYNAMIC MODEL OF THE NEUSE WATERSHED, AND LINK THESE MODELS SO THAT THE EFFECTIVENESS OF CURRENT NUTRIENT MANAGEMENT STRATEGIES FOR THE NEUSE RIVER BASIN CAN BE DETERMINED, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Appropriations Committee**.

By Senators Lee, Martin of Guilford and Wellons:

S.B. 1296, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS TO APPROPRIATE FUNDS TO PROVIDE A BONUS TO ASSISTANCE TEAM MEMBERS AND TO REIMBURSE THE ACTUAL COST OF ALL REASONABLE EXPENSES INCURRED BY MEMBERS OF ASSISTANCE TEAMS.

Referred to **Appropriations Committee**.

By Senators Lee and Martin of Guilford:

S.B. 1297, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS TO ENCOURAGE LOCAL BOARDS OF EDUCATION TO PROVIDE

YEAR-ROUND SCHOOLS.

Referred to **Education/Higher Education Committee.**

By Senators Lee, Martin of Guilford and Wellons:

S.B. 1298, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE LEGISLATIVE COMMISSION ON PUBLIC SCHOOLS TO MAKE CHANGES IN LAWS, POLICIES, AND ADMINISTRATION TO IMPROVE THE QUALITY OF EDUCATION AND SAFETY IN THE STATE RESIDENTIAL SCHOOLS, TO IMPLEMENT THE ABC'S PROGRAM IN THE RESIDENTIAL SCHOOLS, TO AUTHORIZE STUDIES OF ISSUES OF CONCERN TO BLIND AND DEAF STUDENTS, TO REQUIRE AN AUDIT OF THE DIVISION OF SERVICES FOR THE DEAF AND HARD OF HEARING, TO REQUIRE THE DEVELOPMENT OF A THREE-YEAR PLAN TO ADDRESS THE CAPITAL NEEDS OF THE GOVERNOR MOREHEAD SCHOOL AND THE THREE STATE SCHOOLS FOR THE DEAF, AND TO MAKE APPROPRIATIONS TO IMPLEMENT THIS ACT.

Referred to **Education/Higher Education Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senators Cochrane, Albertson, Carpenter, East, Horton, Kinnaird, Martin of Pitt, Odom and Phillips:

S.B. 1299, A BILL TO BE ENTITLED AN ACT TO AMEND THE LAWS REGARDING THE WITHDRAWAL AND TRANSFER OF SURFACE WATERS AND THE STATE WATER SUPPLY PLAN.

Referred to **Agriculture/Environment/Natural Resources Committee.**

By Senators Odom and Hoyle:

S.B. 1300, A BILL TO BE ENTITLED AN ACT TO SET THE INSURANCE REGULATORY CHARGE FOR CALENDAR YEAR 1998, TO AMEND PROVISIONS IN THE INSURANCE LAWS DEALING WITH EXAMINATIONS OF INSURANCE COMPANIES AND AUDITS OF THEIR FINANCIAL STATEMENTS, AND TO CLARIFY THE LAW ON INSURERS' FUNDING AGREEMENT RESERVES.

Referred to **Commerce Committee.**

By Senators Odom, Albertson, Cochrane, Horton, Jenkins, Kinnaird, Martin of Pitt, Perdue and Phillips:

S.B. 1301, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO A NONREVERTING RESERVE FOR THE START-UP COSTS OF THE SOUTHERN DAIRY COMPACT AND TO PROVIDE FOR THE REPAYMENT OF THOSE FUNDS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Appropriations Committee.**

By Senators Odom, Albertson, Cochrane, Horton, Jenkins, Kinnaird and Martin of Pitt:

S.B. 1302, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE REGISTRATION OF SWINE FARMS ASSOCIATED WITH SWINE OPERATION INTEGRATORS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Agriculture/Environment/Natural Resources Committee.**

By Senators Odom, Albertson, Cochrane, Horton, Kinnaird, Martin of Pitt, Perdue and Phillips:

S.B. 1303, A BILL TO BE ENTITLED AN ACT TO DIRECT THE COMMISSION FOR HEALTH SERVICES TO REQUIRE EACH NEW SEPTIC TANK SYSTEM TO USE AN EFFLUENT FILTER AND AN ACCESS DEVICE, TO DEVELOP STANDARDS FOR THESE DEVICES, TO ADOPT THESE REQUIREMENTS AND STANDARDS BY TEMPORARY RULES, AND TO CONSIDER WHETHER, FOR SYSTEMS THAT USE THESE NEW DEVICES, THE CURRENT REQUIREMENT THAT THE SITE MUST INCLUDE A SEPARATE REPAIR AREA CAN BE AMENDED, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Agriculture/Environment/Natural Resources Committee**.

By Senators Odom, Albertson, Cochrane, Horton, Jenkins, Kinnaird, Martin of Pitt, Perdue and Phillips:

S.B. 1304, A BILL TO BE ENTITLED AN ACT TO DIRECT THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO STUDY ISSUES RELATED TO THE PHASEOUT OF ANAEROBIC LAGOONS AND SPRAYFIELDS AS THE PRIMARY METHODS OF DISPOSING OF ANIMAL WASTE AT SWINE FARMS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Agriculture/Environment/Natural Resources Committee**.

By Senators Odom, Albertson, Jenkins, Kinnaird, Martin of Pitt and Perdue:

S.B. 1305, A BILL TO BE ENTITLED AN ACT TO AMEND THE CURRENT LAW REGARDING THE CONTROL OF CHILDHOOD LEAD EXPOSURE, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Children & Human Resources Committee** and upon a favorable report, re-referred to the **Finance Committee**.

By Senators Odom, Albertson, Cochrane, Horton, Jenkins, Kinnaird, Martin of Pitt and Perdue:

S.B. 1306, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE CONSERVATION GRANT FUND AND TO APPROPRIATE FUNDS FOR TWO POSITIONS FOR THE CONSERVATION EASEMENTS PROGRAM, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Appropriations Committee**.

By Senators Odom, Dannelly, Rucho and Winner:

S.B. 1307, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE CONSTRUCTION, PLANNING AND DESIGN OF TWO ACADEMIC FACILITIES AT THE UNIVERSITY OF NORTH CAROLINA AT CHARLOTTE.

Referred to **Appropriations Committee**.

By Senators Warren, Martin of Guilford, Odom and Rand:

S.B. 1308, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO CONTINUE THE STRIKE OUT STROKE PROJECT IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, AS RECOMMENDED BY THE HEART DISEASE AND STROKE PREVENTION TASK FORCE.

Referred to **Appropriations Committee**.

By Senators Warren, Gulley, Hoyle, Ledbetter, Martin of Guilford, Odom and Rand:

S.B. 1309, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE "BE ACTIVE NORTH CAROLINA (BANC)" INITIATIVE AS RECOMMENDED BY THE HEART DISEASE AND STROKE PREVENTION TASK FORCE.

Referred to **Appropriations Committee**.

By Senators Warren, Gulley, Hoyle, Ledbetter, Martin of Guilford, Odom and Rand:

S.B. 1310, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE ESTABLISHMENT OF A CARDIOVASCULAR HEALTH DATA UNIT AS RECOMMENDED BY THE HEART DISEASE AND STROKE PREVENTION TASK FORCE.

Referred to **Appropriations Committee**.

By Senators Rand and Gulley:

S.B. 1311, A BILL TO BE ENTITLED AN ACT TO RESERVE FOUR PERCENT OF THE UNRESERVED CREDIT BALANCE IN THE GENERAL FUND AT THE END OF EACH FISCAL YEAR TO THE HOUSING TRUST FUND AND TO RESERVE TWO PERCENT OF THE UNRESERVED CREDIT BALANCE IN THE GENERAL FUND AT THE END OF EACH FISCAL YEAR TO THE DEPARTMENT OF COMMERCE FOR THE CENTER FOR COMMUNITY SELF-HELP.

Referred to **Appropriations Committee**.

By Senator Allran:

S.B. 1312, A BILL TO BE ENTITLED AN ACT TO ALLOW CATAWBA AND LINCOLN COUNTIES TO ACQUIRE PROPERTY FOR USE BY THEIR COUNTY BOARDS OF EDUCATION.

Referred to **Finance Committee**.

By Senators Kinnaird, Albertson, Blust, Cochrane, Foxx, Horton, Jenkins, Lucas, Odom, Perdue, Phillips, Reeves and Weinstein:

S.B. 1313, A BILL TO BE ENTITLED AN ACT TO STRENGTHEN THE SEDIMENTATION POLLUTION CONTROL ACT OF 1973, AS RECOMMENDED BY THE SEDIMENTATION CONTROL COMMISSION AND THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Agriculture/Environment/Natural Resources Committee**.

By Senators Kinnaird, Albertson, Cochrane, Dalton, Foxx, Jenkins, Lucas, Odom, Perdue, Phillips and Weinstein:

S.B. 1314, A BILL TO BE ENTITLED AN ACT TO ALLOW STATE AGENCIES TO RETAIN RECEIPTS FROM THE SALE OF RECYCLABLE MATERIALS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Agriculture/Environment/Natural Resources Committee**.

By Senators Kinnaird, Albertson, Blust, Dalton, Foxx, Jenkins, Lucas, Odom, Perdue, Phillips, Reeves and Weinstein:

S.B. 1315, A BILL TO BE ENTITLED AN ACT TO DIRECT THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO STUDY ISSUES RELATING TO ABANDONED ANIMAL WASTE MANAGEMENT SYSTEM LAGOONS AND

THE PROPER CLOSURE OF THOSE LAGOONS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Agriculture/Environment/Natural Resources Committee**.

By Senators Kinnaird, Albertson, Cochrane, Foxx, Horton, Jenkins, Lucas, Odom, Perdue and Phillips:

S.B. 1316, A BILL TO BE ENTITLED AN ACT TO AMEND THE INCOME TAX CREDIT FOR REAL PROPERTY DONATED FOR CONSERVATION PURPOSES TO ALLOW THE INDIVIDUAL INCOME TAXPAYER TO ADD BACK FOUR TIMES THE AMOUNT CLAIMED AS A CREDIT EACH TAX YEAR THE TAXPAYER CLAIMS A CREDIT, WHICH AMOUNT REPRESENTS THE PORTION OF THE FAIR MARKET VALUE OF THE DONATED PROPERTY INTEREST THAT REPRESENTS THE AMOUNT OF THE CREDIT CLAIMED FOR THAT TAX YEAR, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Finance Committee**.

By Senators Lee, Hartsell, Lucas and Winner:

S.B. 1317, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS TO ESTABLISH A PILOT PROGRAM TO ADD INSTRUCTIONAL DAYS AND INCREASE FLEXIBILITY.

Referred to **Education/Higher Education Committee**.

By Senators Lee, Hartsell, Lucas and Winner:

S.B. 1318, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS TO DIRECT THE STATE BOARD OF EDUCATION TO ADOPT RULES PRESCRIBING THE EXTRACURRICULAR DUTIES ASSIGNED TO FIRST-YEAR TEACHERS.

Referred to **Education/Higher Education Committee**.

By Senator Lee:

S.B. 1319, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS TO ENCOURAGE LOCAL BOARDS OF EDUCATION TO PROVIDE YEAR-ROUND SCHOOLS.

Referred to **Education/Higher Education Committee**.

By Senators Lee and Wellons:

S.B. 1320, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE LEGISLATIVE COMMISSION ON PUBLIC SCHOOLS TO MAKE CHANGES IN LAWS, POLICIES, AND ADMINISTRATION TO IMPROVE THE QUALITY OF EDUCATION AND SAFETY IN THE STATE RESIDENTIAL SCHOOLS, TO IMPLEMENT THE ABC'S PROGRAM IN THE RESIDENTIAL SCHOOLS, TO AUTHORIZE STUDIES OF ISSUES OF CONCERN TO BLIND AND DEAF STUDENTS, TO REQUIRE AN AUDIT OF THE DIVISION OF SERVICES FOR THE DEAF AND HARD OF HEARING, TO REQUIRE THE DEVELOPMENT OF A THREE-YEAR PLAN TO ADDRESS THE CAPITAL NEEDS OF THE GOVERNOR MOREHEAD SCHOOL AND THE THREE STATE SCHOOLS FOR THE DEAF, AND TO MAKE APPROPRIATIONS TO IMPLEMENT THIS ACT.

Referred to **Education/Higher Education Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senators Martin of Guilford and Phillips:

S.B. 1321, A BILL TO BE ENTITLED AN ACT TO AMEND THE LAW REGARDING THE BIOMETRIC IDENTIFICATION SYSTEM TO MAKE NECESSARY TECHNICAL CORRECTIONS, AS RECOMMENDED BY THE JOINT LEGISLATIVE PUBLIC ASSISTANCE COMMISSION

Referred to **Children & Human Resources Committee.**

By Senators Martin of Guilford, Perdue and Plyler:

S.B. 1322, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE ASSISTIVE TECHNOLOGY PROJECT.

Referred to **Appropriations Committee**.

By Senators Martin of Guilford and Phillips:

S.B. 1323, A BILL TO BE ENTITLED AN ACT TO MAKE CERTAIN CORRECTIONS TO THE WELFARE LAWS, AS RECOMMENDED BY THE JOINT LEGISLATIVE PUBLIC ASSISTANCE COMMISSION.

Referred to **Children & Human Resources Committee.**

By Senators Martin of Guilford and Cooper:

S.B. 1324, A BILL TO BE ENTITLED AN ACT TO REGULATE THE OFF-PREMISE SALES OF MALT BEVERAGES IN KEGS AND MAKE BEER CONSUMPTION BY ANY PERSON UNDER TWENTY-ONE YEARS OF AGE A MISDEMEANOR.

Referred to **Commerce Committee.**

By Senators Martin of Guilford and Phillips:

S.B. 1325, A BILL TO BE ENTITLED AN ACT TO REWRITE CERTAIN PROVISIONS OF THE JUVENILE CODE AND OF THE LAW ON TERMINATION OF PARENTAL RIGHTS TO IMPROVE THE TIMELINE OF COURT PROCEEDINGS AFFECTING CHILDREN ALLEGED TO BE ABUSED, NEGLECTED, OR DEPENDENT AND TO ALLOW TERMINATION OF PARENTAL RIGHTS TO BE AN ACTION IN A CASE OF ABUSE, NEGLECT, OR DEPENDENCY, AS RECOMMENDED BY THE CHILD FATALITY TASK FORCE.

Referred to **Judiciary Committee**.

By Senators Purcell, Clark, Dalton, Garwood, Hartsell, Ledbetter, Lee, Moore, Plyler and Winner:

S.B. 1326, A BILL TO BE ENTITLED AN ACT TO EXTEND FOR ONE YEAR THE DEADLINE FOR MATCHING COMMUNITY COLLEGE BOND FUNDS.

Referred to **Appropriations Committee**.

By Senators Dalton, Cooper, Hoyle, Martin of Pitt, Phillips, Plyler, Purcell and Warren:

S.B. 1327, A BILL TO BE ENTITLED AN ACT TO PRESERVE THE TAX-EXEMPT STATUS FOR PIPED NATURAL GAS SOLD BY MUNICIPALITIES, TO MAKE THE TAXES ON OTHER SALES OF PIPED NATURAL GAS MORE

UNIFORM, AND TO LIMIT THE SERVICE AREA A MUNICIPALITY MAY SERVE WITH PIPED NATURAL GAS.

Referred to **Finance Committee**.

By Senator Dalton:

S.B. 1328, A BILL TO BE ENTITLED AN ACT TO CONTINUE THE JOB TRAINING STUDY COMMISSION.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Odom and Horton:

S.B. 1329, A BILL TO BE ENTITLED AN ACT TO REVISE AND PLACE INTO THE GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE WATER QUALITY PROGRAM, AS RECOMMENDED BY THE WATER QUALITY PROGRAMS FUNDING WORKING GROUP, TO REQUIRE THE ENVIRONMENTAL MANAGEMENT COMMISSION TO CLASSIFY THE IMPACT OF LEAKING PETROLEUM UNDERGROUND STORAGE TANKS AS EITHER AB OR CDE, AND TO PROVIDE THAT THE OWNER OR OPERATOR OF A LEAKING UNDERGROUND STORAGE TANK THAT HAS A CDE IMPACT SHALL NOT BE REQUIRED TO CLEAN UP THE DISCHARGE OR RELEASE, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Agriculture/Environment/Natural Resources Committee** and upon a favorable report, re-referred to the **Finance Committee**.

By Senators Odom and Horton:

S.B. 1330, A BILL TO BE ENTITLED AN ACT TO REVISE AND PLACE INTO THE GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE WATER QUALITY PROGRAM, AS RECOMMENDED BY THE WATER QUALITY PROGRAMS FUNDING WORKING GROUP AND THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Finance Committee**.

By Senators Horton and Cochrane:

S.B. 1331, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE ENVIRONMENTAL MANAGEMENT COMMISSION TO CLASSIFY THE IMPACT OF LEAKING PETROLEUM UNDERGROUND STORAGE TANKS AS EITHER AB OR CDE AND TO PROVIDE THAT THE OWNER OR OPERATOR OF A LEAKING UNDERGROUND STORAGE TANK THAT HAS A CDE IMPACT SHALL NOT BE REQUIRED TO CLEAN UP THE DISCHARGE OR RELEASE, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Agriculture/Environment/Natural Resources Committee**.

By Senator Hartsell:

S.B. 1332, A BILL TO BE ENTITLED AN ACT RELATING TO THE TWENTY-SECOND SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Hartsell:

S.B. 1333, A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF LANDIS.

Referred to **State Government, Local Government, and Personnel Committee** and upon a favorable report, re-referred to the **Finance Committee.**

By Senators Cooper and Rand:

S.B. 1334, A BILL TO BE ENTITLED AN ACT OT PROVIDE SALARY CONTINUATION BENEFITS FOR UNIVERSITY SYSTEM CAMPUS LAW ENFORCEMENT OFFICERS.

Referred to **Appropriations Committee**.

By Senator Martin of Guilford:

S.B. 1335, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE NORTH CAROLINA INSTITUTE OF MEDICINE.

Referred to **Appropriations Committee**.

By Senators Odom, Blust, Forrester, Jenkins, McDaniel and Phillips:

S.B. 1336, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE GOVERNOR'S DWI TASK FORCE AND THE JOINT CORRECTIONS AND CRIME CONTROL OVERSIGHT COMMITTEE TO REVISE THE DWI FORFEITURE LAWS AND OTHER RELATED LAWS; TO PROVIDE FOR "ZERO-TOLERANCE" FOR COMMERCIAL DRIVERS, DRIVERS OF SCHOOL BUSES, SCHOOL ACTIVITY BUSES AND CHILD CARE VEHICLES, AND TO PROVIDE FOR IMMEDIATE ADMINISTRATIVE LICENSE REVOCATIONS FOR ALL PERSONS UNDER 21 YEARS OF AGE; AND TO ELIMINATE THE INFRACTION TREATMENT OF PURCHASE OR POSSESSION OF ALCOHOLIC BEVERAGES BY A 19 OR 20 YEAR OLD AND TO MAKE CONFORMING CHANGES.

Referred to **Judiciary Committee.**

By Senators Lee and Wellons:

S.B. 1337, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR SCHOOL NURSES.

Referred to **Appropriations Committee**.

By Senators Martin of Guilford, Blust and Shaw of Guilford:

S.B. 1338, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR CONSTRUCTION OF A NEW GUILFORD COUNTY JUVENILE DETENTION FACILITY.

Referred to **Appropriations Committee**.

By Senators Martin of Guilford, Blust and Shaw of Guilford:

S.B. 1339, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO ESTABLISH A TEEN COURT PROGRAM IN GUILFORD COUNTY.

Referred to **Appropriations Committee**.

By Senator Martin of Guilford:

S.B. 1340, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO SIT-IN MOVEMENT, INC., FOR THE CONSTRUCTION AND RENOVATION OF THE INTERNATIONAL CIVIL RIGHTS CENTER AND MUSEUM.

Referred to **Appropriations Committee**.

By Senators Martin of Guilford and Dannelly:

S.B. 1341, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES AND FOR CAPITAL IMPROVEMENTS AND OTHER ONE-TIME REQUESTS.

Referred to **Appropriations Committee.**

On motion of Senator Basnight, seconded by Senator Cooper, the Senate adjourns at 2:32 P.M. to meet tomorrow, Thursday, May 28, at 12:00 Noon.

ONE HUNDRED THIRTY-FIFTH DAY

Senate Chamber
Thursday, May 28, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, You have called us to be Your people, to venture forth with You, to be servants and helpers to the people with whom we come in contact. When we consider our misgivings, our weaknesses, our fears, we wonder why You have called people like us. Without Your call, we might have been quite content to live our lives less conspicuously, on our own, without much concern for anyone but ourselves.

"Yet You have called us to follow. You have given each of us a job to do in Your Kingdom. Equip us to participate faithfully in Your mission. Help us to serve with joy and enthusiasm this day, Oh God, we pray. For Your sake, Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Clark and Senator Jordan.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Wednesday, May 27, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Gilbert Gomer Whitmer, Jr. from Rocky Mount, North Carolina, who is serving the Senate as Doctor of the Day, and Joy Cagle from Durham, North Carolina, who is serving the Senate as Nurse of the Day.

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Lee for the **Education/Higher Education Committee**:

S.B. 1129, A BILL TO BE ENTITLED AN ACT TO AMEND THE STATUTES GOVERNING THE CONSEQUENCES FOR PRINCIPALS IN SCHOOLS IDENTIFIED AS LOW-PERFORMING UNDER THE ABC'S PLAN, AND TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO DEVELOP PLANS TO ADDRESS THE NEEDS OF LOW-PERFORMING SCHOOLS, unfavorable as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 3600 is adopted and engrossed.

With unanimous consent, on motion of Senator Lee, the bill is placed on the Calendar for Tuesday, June 2.

S.B. 1127, A BILL TO BE ENTITLED AN ACT TO PROVIDE INCENTIVES TO PRINCIPALS WHO GO TO LOW-PERFORMING SCHOOLS AND TO PRINCIPALS WHOSE LOW-PERFORMING SCHOOLS MAKE IMPROVEMENT, with a favorable report.

Pursuant to Rule 43, the bill is re-referred to the **Appropriations Committee**.

By Senator Miller for the **State Government, Local Government and Personnel Committee**:

S.B. 1112, A BILL TO BE ENTITLED AN ACT TO ALLOW ABSENTEE VOTING IN LAURINBURG CITY ELECTIONS CONDUCTED BY THE MUNICIPAL BOARD OF ELECTIONS, unfavorable as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 4683 is adopted and engrossed.

Senator Rand offers a motion to suspend Rule 7 to the end that the introduction of bills be placed as the last order of business today, which motion prevails.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A special message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

H.J.R. 1281, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A JOINT RESOLUTION INVITING THE REPUBLICAN NATIONAL COMMITTEE TO HOST ITS NEXT PRESIDENTIAL NOMINATING CONVENTION IN CHARLOTTE.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

WITHDRAWAL FROM CALENDAR

S.B. 1114, A BILL TO BE ENTITLED AN ACT TO REENACT THE 1986 LAW PROVIDING FOR RISK-SHARING PLANS, TO AMEND THE IMMUNITY STATUTES FOR THE FAIR AND BEACH PLANS, AND TO MAKE A TECHNICAL

AMENDMENT IN THE BEACH PLAN LAWS, placed on the Calendar for Monday, June 1.

Senator Soles offers a motion that the bill be withdrawn from the Calendar for Monday, June 1, and placed on the Calendar for Tuesday, June 2, which motion prevails, with unanimous consent.

The Chair orders the bill withdrawn from the Calendar for Monday, June 1, and places it on the Calendar for Tuesday, June 2.

COMMITTEE REFERRAL

S.B. 1130, A BILL TO BE ENTITLED AN ACT TO IMPROVE AND MODERNIZE THE TORRENS LAND TITLE REGISTRATION PROCEDURES OF THE STATE, ordered held in the Office of the Principal Clerk on Thursday, May 14, pending referral to committee.

Pursuant to Rule 43 Senator Rand, Chairman of the **Rules and Operations of the Senate Committee**, refers the bill to the **Finance Committee**.

INTRODUCTION OF BILLS

Bills filed for introduction are presented to the Senate, read the first time, and disposed of, as follows:

By Senator Webster:

S.B. 1401, A BILL TO BE ENTITLED AN ACT RELATING TO THE TWENTY-FIRST SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Webster:

S.B. 1402, A BILL TO BE ENTITLED AN ACT RELATING TO THE TWENTY-FIRST SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Webster:

S.B. 1403, A BILL TO BE ENTITLED AN ACT RELATING TO THE TWENTY-FIRST SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Cooper and Wellons:

S.B. 1404, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF COMMERCE FOR REGION L COUNCIL OF GOVERNMENTS.

Referred to **Appropriations Committee**.

By Senator Cooper:

S.B. 1405, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE SUPPORT OF THE ACTIVITIES OF THE NORTH CAROLINA INSTITUTE OF MEDICINE.

Referred to **Appropriations Committee**.

By Senator Carpenter:

S.B. 1406, A BILL TO BE ENTITLED AN ACT TO LIMIT THE LIABILITY OF THE TOWN OF COLUMBUS FOR REPAYMENT OF ERRONEOUS FRANCHISE TAX DISTRIBUTIONS.

Referred to **Appropriations Committee**.

By Senator Carpenter:

S.B. 1407, A BILL TO BE ENTITLED AN ACT TO PROVIDE BENEFITS UNDER THE REGISTERS OF DEEDS' SUPPLEMENTAL PENSION FUND ACT TO REGISTERS OF DEEDS WHO ARE OTHERWISE NOT ELIGIBLE SOLELY BECAUSE THE COUNTY DOES NOT PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.

Referred to **Pensions & Retirement and Insurance Committee**.

By Senators Wellons, Allran, Carrington, Cochrane, Hartsell, Horton, Jenkins, Ledbetter, Lee, Lucas, Miller, Moore, Purcell, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford, Warren and Weinstein:

S.B. 1408, A BILL TO BE ENTITLED AN ACT TO PROVIDE SPACE ON THE INCOME TAX RETURN FOR INDIVIDUALS TO MAKE DONATIONS TO HABITAT FOR HUMANITY.

Referred to **Finance Committee**.

By Senators Carpenter and Jenkins:

S.B. 1409, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR A BUILDING FOR THE JOHN C. CAMPBELL FOLK SCHOOL IN BRASSTOWN.

Referred to **Appropriations Committee**.

By Senator Soles:

S.B. 1410, A BILL TO BE ENTITLED AN ACT TO ANNEX AN AREA TO THE TOWN OF CHADBOURN.

Referred to **Finance Committee**.

By Senator Ballance:

S.B. 1411, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR A JUDICIAL ASSISTANT IN DISTRICT COURT DISTRICT NINE.

Referred to **Appropriations Committee**.

By Senator Ballance:

S.B. 1412, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE DETOXIFICATION OF A LANDFILL IN WARREN COUNTY THAT CONTAINS PCB'S AND OTHER CONTAMINATED MATERIALS AND TO PROVIDE THAT SURPLUS FUNDS, IF ANY, BE DIRECTED FOR ECONOMIC DEVELOPMENT OR INFRASTRUCTURE NEEDS IN WARREN COUNTY.

Referred to **Appropriations Committee**.

By Senator Ballance:

S.B. 1413, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL TO SUPPORT "BLANK PICTURES", A STUDENT-INITIATED PROJECT TO INCREASE

UNDERSTANDING OF DIFFERENT RACES AND CULTURES.

Referred to **Appropriations Committee.**

By Senator Ballance:

S.B. 1414, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE NORTH CAROLINA LEGAL EDUCATION ASSISTANCE FOUNDATION'S LOAN REPAYMENT ASSISTANCE PROGRAM FOR NORTH CAROLINA PUBLIC SERVICE ATTORNEYS.

Referred to **Appropriations Committee.**

By Senator Ballance:

S.B. 1415, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE UNIVERSITY OF NORTH CAROLINA.

Referred to **Appropriations Committee.**

By Senator Ballance:

S.B. 1416, A BILL TO BE ENTITLED AN ACT TO REMOVE THE SUNSET ON THE NORTH CAROLINA DRUG TREATMENT COURT.

Referred to **Appropriations Committee.**

By Senator Albertson:

S.B. 1417, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF WALLACE TO CONVEY CERTAIN PROPERTY AT A PRIVATE SALE.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senator Albertson:

S.B. 1418, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE CONSTRUCTION OF THE GREATER JACKSONVILLE-ONSLOW FARMERS MARKET.

Referred to **Appropriations Committee.**

By Senator Phillips:

S.B. 1419, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR A FARMLAND PRESERVATION PILOT PROGRAM TO PRESERVE FARMLAND IN ROWAN, IREDELL, AND DAVIDSON COUNTIES.

Referred to **Appropriations Committee.**

By Senators Garwood, Dalton, Lucas and Purcell:

S.B. 1421, A BILL TO BE ENTITLED AN ACT TO ALLOCATE FUNDS APPROPRIATED BY THE GENERAL ASSEMBLY FOR TEACHER ASSISTANT SALARY INCREASES AND TO MODIFY THE TERMS OF EMPLOYMENT FOR TEACHER ASSISTANTS.

Referred to **Appropriations Committee.**

By Senator Hartsell:

S.B. 1422, A BILL TO BE ENTITLED AN ACT TO EXTEND AND IMPROVE THE CABARRUS COUNTY WORK OVER WELFARE PROGRAM.

Referred to **Children & Human Resources Committee.**

By Senators Lucas, Ballance, Dalton, Garwood, Jenkins, Kinnaird, Miller, Odom, Phillips, Purcell, Reeves, Rucho, Shaw of Cumberland, Warren and Wellons:

S.B. 1423, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO ESTABLISH A PARENTING PROGRAM.

Referred to **Appropriations Committee**.

By Senator Hartsell:

S.B. 1424, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT CABARRUS MEMORIAL HOSPITAL MAY AWARD A BACCALAUREATE OR ADVANCED DEGREE TO GRADUATES OF ITS NURSING AND ALLIED HEALTH SCIENCES PROGRAMS AS APPROPRIATE.

Referred to **Education/Higher Education Committee**.

By Senator Foxx:

S.B. 1425, A BILL TO BE ENTITLED AN ACT REGARDING ROCKINGHAM COUNTY AND GOVERNMENTAL UNITS LOCATED THEREIN.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Rand:

S.B. 1426, A BILL TO BE ENTITLED AN ACT TO INCREASE THE FEE FOR AUTOPSIES.

Referred to **Finance Committee**.

By Senator Rand:

S.B. 1427, A BILL TO BE ENTITLED AN ACT TO RETURN TO THE PRE-1991-92 PRACTICE OF SHARING SCHOOL UTILITY COSTS WITH THE COUNTIES.

Referred to **Appropriations Committee**.

By Senator Rand:

S.B. 1428, A BILL TO BE ENTITLED AN ACT TO APPOINT PERSONS TO VARIOUS PUBLIC OFFICES UPON THE RECOMMENDATION OF THE PRESIDENT PRO TEMPORE OF THE SENATE.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Kerr:

S.B. 1429, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO ENDOW A CHAIR FOR THE STUDY OF ANOREXIA AND BULIMIA AT THE UNC MEDICAL SCHOOL.

Referred to **Appropriations Committee**.

By Senators Kerr, Cochrane, Horton and McDaniel:

S.B. 1430, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR RESTORATION AND RECONSTRUCTION OF HISTORIC ST. PHILIPS CHURCH AND CONSTRUCTION OF THE NORTH CAROLINA HERITAGE EDUCATION CENTER AT OLD SALEM.

Referred to **Appropriations Committee**.

By Senator Hoyle:

S.B. 1431, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO

THE DEPARTMENT OF COMMERCE FOR THE PURPOSE OF CONDUCTING AND PROMOTING HOSPITALITY AND TOURISM JOB TRAINING PROGRAMS.

Referred to **Appropriations Committee.**

By Senator Hoyle:

S.B. 1432, A BILL TO BE ENTITLED AN ACT TO AMEND THE STATE TAX LAW.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Hoyle:

S.B. 1433, A BILL TO BE ENTITLED AN ACT TO EXPAND THE INCOME TAX EXEMPTION FOR SEVERANCE PAY TO INCLUDE CERTAIN VOLUNTARY TERMINATIONS.

Referred to **Finance Committee**.

By Senator Martin of Guilford:

S.B. 1434, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO CONSTRUCT MENTAL HEALTH CENTERS IN LOW-WEALTH AND ECONOMICALLY DISTRESSED COUNTIES.

Referred to **Appropriations Committee**.

By Senators Garwood, Moore and Kerr:

S.B. 1435, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR CAPITAL EXPENSES AT THE PENLAND SCHOOL OF CRAFTS.

Referred to **Appropriations Committee**.

By Senators Plyler and Purcell:

S.B. 1436, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE STANLY COUNTY AIRPORT.

Referred to **Appropriations Committee**.

By Senators Plyler and Purcell:

S.B. 1437, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE AID TO PUBLIC LIBRARIES FUND.

Referred to **Appropriations Committee**.

By Senators Plyler and Purcell:

S.B. 1438, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES FOR FARMERS MARKET CONSTRUCTION.

Referred to **Appropriations Committee**.

By Senators Plyler and Purcell:

S.B. 1439, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF COMMUNITY COLLEGES TO MATCH FUNDS FOR MONTGOMERY COMMUNITY COLLEGE.

Referred to **Appropriations Committee**.

By Senators Plyler and Purcell:

S.B. 1440, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES TO SUPPORT MANDATORY ANIMAL WASTE AND SOIL AND PLANT TESTING.

Referred to **Appropriations Committee**.

By Senators Plyler and Purcell:

S.B. 1441, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO RICHMOND COUNTY FOR THE CAPITAL COSTS OF COMPLETING THE NEW HUMAN SERVICES COMPLEX IN RICHMOND COUNTY SO THAT IT CAN PROVIDE A CENTRAL LOCATION FOR THE AGRICULTURAL AGENCIES THAT SERVE VARIOUS COUNTIES IN THE REGION.

Referred to **Appropriations Committee**.

By Senators Plyler and Purcell:

S.B. 1442, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE UNION COUNTY TO SELL LAND THAT IS CURRENTLY USED FOR COMMUNITY COLLEGE PURPOSES AND USE THE PROCEEDS FOR COMMUNITY COLLEGE CAPITAL EXPENDITURES.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senators Plyler and Purcell:

S.B. 1443, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE STATE HIGHWAY PATROL FOR A HELICOPTER PAD.

Referred to **Appropriations Committee**.

By Senators Plyler and Purcell:

S.B. 1444, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE CONSTRUCTION OF THE J.C. RAULSTON ARBORETUM EDUCATION CENTER ON THE NORTH CAROLINA STATE UNIVERSITY CAMPUS.

Referred to **Appropriations Committee**.

By Senators Martin of Pitt, Albertson and Dannelly:

S.B. 1445, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO SUPPORT THE TAR-PAMLICO BASIN EXTENSION ENVIRONMENTAL EDUCATION TEAM.

Referred to **Appropriations Committee**.

By Senators Martin of Pitt, Albertson and Dannelly:

S.B. 1446, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE PIEDMONT TRIAD FARMERS MARKET.

Referred to **Appropriations Committee**.

By Senators Martin of Pitt, Albertson and Dannelly:

S.B. 1447, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR RESEARCH AND DEMONSTRATION OF ENVIRONMENTALLY SOUND FARMING PRACTICES.

Referred to **Appropriations Committee**.

By Senators Martin of Pitt, Albertson, Dannelly and Hoyle:

S.B. 1448, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE SENATOR BOB MARTIN EASTERN AGRICULTURAL CENTER.

Referred to **Appropriations Committee**.

By Senators Martin of Pitt, Albertson, Hoyle and Kerr:

S.B. 1449, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE UNIVERSITY OF NORTH CAROLINA FOR THE 4-H ENVIRONMENTAL EDUCATION CENTER.

Referred to **Appropriations Committee**.

By Senator Ballantine:

S.B. 1450, A BILL TO BE ENTITLED AN ACT TO PROVIDE A GROSS RECEIPTS TAX EXEMPTION FOR CERTAIN NONPROFIT COMMUNITY FESTIVALS.

Referred to **Finance Committee**.

By Senator Ballantine:

S.B. 1451, A BILL TO BE ENTITLED AN ACT TO REPEAL THE CHARTER OF THE VILLAGE OF SLOOP POINT.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senators Odom, Cooper, Dalton, Kinnaird, Lee, Lucas, Miller, Phillips, Purcell, Rand, Reeves, Shaw of Cumberland, Warren, Weinstein, Wellons and Winner:

S.B. 1452, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR DOMESTIC VIOLENCE PREVENTION AND PROGRAMS.

Referred to **Appropriations Committee**.

By Senators Shaw of Cumberland, Ballance, Cooper, Dannelly, Jenkins, Lucas, Martin of Guilford, Miller, Plyler, Purcell, Rand, Reeves, Warren, Weinstein, Winner and Wellons:

S.B. 1453, A BILL TO BE ENTITLED AN ACT TO ENCOURAGE THE DEPARTMENT OF TRANSPORTATION TO USE ADDITIONAL FUNDS FROM THE FEDERAL HIGHWAY REAUTHORIZATION BILL OF 1998 TO EXPEDITE WIDENING OF INTERSTATE HIGHWAYS TO AT LEAST SIX LANES.

Referred to **Transportation Committee**.

By Senators Shaw of Cumberland, Rand, Jenkins, Kinnaird, Lucas, Odom, Weinstein and Wellons:

S.B. 1454, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO CONSTRUCT A FINE ARTS BUILDING AT FAYETTEVILLE STATE UNIVERSITY.

Referred to **Appropriations Committee**.

By Senators Horton, Allran, Foxx, Garwood, Hartsell and Rucho:

S.B. 1455, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE FOOD BANK OF NORTHWEST NORTH CAROLINA, INC., FOR CAPITAL IMPROVEMENTS TO ITS FOOD STORAGE AND DISTRIBUTION FACILITY.

Referred to **Appropriations Committee**.

By Senator Horton:

S.B. 1456, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY THE FEASIBILITY OF PERMITTING ALL OF THE SCHOOLS IN A LOCAL SCHOOL ADMINISTRATIVE UNIT TO FUNCTION AS CHARTER SCHOOLS AND TO APPROPRIATE FUNDS FOR THE STUDY.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Warren, Cooper and Lucas:

S.B. 1457, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE DOCTORAL PROGRAM AT EAST CAROLINA UNIVERSITY.

Referred to **Appropriations Committee**.

By Senator Warren:

S.B. 1458, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR A SCIENCE AND TECHNOLOGY BUILDING AT EAST CAROLINA UNIVERSITY.

Referred to **Appropriations Committee**.

By Senator Warren:

S.B. 1459, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR A MULTIPURPOSE STRENGTH AND CONDITIONING CENTER AT EAST CAROLINA UNIVERSITY.

Referred to **Appropriations Committee**.

By Senators Warren, Cooper and Lucas:

S.B. 1460, A BILL TO BE ENTITLED AN ACT TO PROVIDE GREATER FLEXIBILITY IN THE USE OF FEES GENERATED BY EMERGENCY 911 SERVICES.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Allran, Cochrane and Forrester:

S.B. 1461, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE NORTH CAROLINA TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN, AND INSURANCE COMPANIES AND HEALTH MAINTENANCE ORGANIZATIONS DOING BUSINESS IN THIS STATE, TO PROVIDE COVERAGE FOR INFERTILITY TREATMENT.

Referred to **Pensions & Retirement and Insurance Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senator Miller:

S.B. 1462, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO ESTABLISH A PILOT SCHOOL-BASED ASTHMA MANAGEMENT AND CONTROL PROGRAM.

Referred to **Appropriations Committee**.

By Senators Jenkins, Ballance, Lucas, Martin of Pitt, Miller, Odom, Rand, Reeves, Shaw of Cumberland and Weinstein:

S.B. 1463, A BILL TO BE ENTITLED AN ACT TO ENHANCE THE RETIREMENT BENEFITS PAYABLE FROM THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL

RETIREMENT SYSTEM, THE LEGISLATIVE RETIREMENT SYSTEM, AND THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.

Referred to **Pensions & Retirement and Insurance Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senators Jenkins, Ballance, Cooper, Lucas, Martin of Pitt, Miller, Odom, Rand, Reeves, Shaw of Cumberland and Weinstein:

S.B. 1464, A BILL TO BE ENTITLED AN ACT TO INCREASE THE CONTRIBUTORY DEATH BENEFIT FOR RETIREES IN THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, THE LEGISLATIVE RETIREMENT SYSTEM, AND THE LOCAL GOVERNMENTAL RETIREMENT SYSTEM.

Referred to **Pensions & Retirement and Insurance Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senators Jenkins, Ballance, Cooper, Kinnaird, Lucas, Martin of Pitt, Miller, Odom, Rand, Reeves, Shaw of Cumberland, Weinstein and Wellons:

S.B. 1465, A BILL TO BE ENTITLED AN ACT TO ALLOW MEMBERS OF THE LEGISLATIVE, LOCAL GOVERNMENTAL EMPLOYEES', AND TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEMS TO CHANGE THEIR DESIGNATED BENEFICIARIES AFTER RETIREMENT HAS BECOME EFFECTIVE UNDER CERTAIN CIRCUMSTANCES.

Referred to **Pensions & Retirement and Insurance Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senators Jenkins, Carpenter, Blust, Horton, Kinnaird and Phillips:

S.B. 1466, A BILL TO BE ENTITLED AN ACT TO ALLOW THE EASTERN BAND OF CHEROKEE INDIANS TO PERFORM BUILDING INSPECTIONS ON TRIBAL LANDS.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senators Jenkins, Dalton and Wellons:

S.B. 1467, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE RURAL TOURISM GRANT PROGRAM.

Referred to **Appropriations Committee.**

By Senators Jenkins, Ballance, Gulley, Kinnaird, Lucas, Miller, Reeves and Wellons:

S.B. 1468, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO INCREASE AND SUSTAIN THE CAPACITY OF NONPROFIT HOUSING DEVELOPERS TO PRODUCE AFFORDABLE HOUSING AND STRENGTHEN COMMUNITIES.

Referred to **Appropriations Committee.**

By Senators Jenkins and Dalton:

S.B. 1469, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CULTURAL RESOURCES TO SUPPORT THE MUSEUM OF THE CHEROKEE.

Referred to **Appropriations Committee.**

By Senators Jenkins, Ballance and Carpenter:

S.B. 1470, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE MANNA FOOD BANK FOR CAPITAL IMPROVEMENTS TO ITS FOOD STORAGE AND DISTRIBUTION FACILITY AND THE PURCHASE OF A TRUCK.

Referred to **Appropriations Committee**.

By Senators Jenkins and Carpenter:

S.B. 1471, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES FOR THE CONTINUED CAPITAL DEVELOPMENT OF THE WESTERN NORTH CAROLINA AGRICULTURAL CENTER.

Referred to **Appropriations Committee**.

By Senators Jenkins and Dalton:

S.B. 1472, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR A YEAR OF THE MOUNTAINS PLANNING INITIATIVE.

Referred to **Appropriations Committee**.

By Senators Dalton and Hoyle:

S.B. 1473, A BILL TO BE ENTITLED AN ACT RELATING TO CLEVELAND COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Dalton and Hoyle:

S.B. 1474, A BILL TO BE ENTITLED AN ACT RELATING TO CLEVELAND COUNTY.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Cooper:

S.B. 1475, A BILL TO BE ENTITLED AN ACT RELATING TO THE TENTH SENATORIAL DISTRICT.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Cooper and Ballance:

S.B. 1476, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO MATCH FEDERAL FUNDS THAT WILL BE USED FOR THE UPPER COASTAL PLAIN COUNCIL OF GOVERNMENTS' SMALL BUSINESS REVOLVING LOAN FUND.

Referred to **Appropriations Committee**.

By Senators Rand, Ballance, Ballantine, Cochrane, Cooper, Gulley, Hartsell, Kinnaird, Martin of Guilford and Martin of Pitt:

S.B. 1477, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE CENTER FOR COMMUNITY SELF-HELP FOR ECONOMIC DEVELOPMENT PROJECTS.

Referred to **Appropriations Committee**.

By Senators Horton, Cochrane and McDaniel:

S.B. 1478, A BILL TO BE ENTITLED AN ACT RELATING TO INVESTMENTS

OF THE COUNTY OF FORSYTH.

Referred to **Finance Committee**.

By Senators Horton, Cochrane and McDaniel:

S.B. 1479, A BILL TO BE ENTITLED AN ACT RELATING TO INVESTMENTS MADE BY THE CITY OF WINSTON-SALEM.

Referred to **Finance Committee**.

By Senators Page, Allran, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, East, Forrester, Foxx, Garwood, Hartsell, Horton, Ledbetter, McDaniel, Moore, Rucho, Shaw of Guilford and Webster:

S.B. 1480, A BILL TO BE ENTITLED AN ACT TO AMEND THE CONSTITUTION OF NORTH CAROLINA TO REQUIRE A TWO-THIRDS VOTE FOR THE GENERAL ASSEMBLY TO LEVY STATE TAXES.

Referred to **Finance Committee**.

By Senators Lee and Winner:

S.B. 1481, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO MEET THE TECHNOLOGY NEEDS OF THE PUBLIC SCHOOLS, THE COMMUNITY COLLEGE SYSTEM, AND THE UNIVERSITY OF NORTH CAROLINA.

Referred to **Appropriations Committee**.

By Senator Lee:

S.B. 1482, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE UNIVERSITY OF NORTH CAROLINA FOR GRADUATE STUDENT REMISSION.

Referred to **Appropriations Committee**.

By Senator Lee:

S.B. 1483, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR NEW PRISON EDUCATION START-UP COSTS.

Referred to **Appropriations Committee**.

By Senator Lee:

S.B. 1484, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE UNIVERSITY OF NORTH CAROLINA FOR PUBLIC TELEVISION COMPLIANCE WITH THE FCC.

Referred to **Appropriations Committee**.

By Senator Lee:

S.B. 1485, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO RESTORE FUNDS TO TWO COMMUNITY COLLEGES TO HELP SUPPORT THE COST OF OUT-OF-COUNTY STUDENTS ATTENDING THE COLLEGE.

Referred to **Appropriations Committee**.

By Senator Lee:

S.B. 1486, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO COMPLETE CONSTRUCTION OF THE PAUL GREEN THEATRE AT THE

UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL.

Referred to **Appropriations Committee**.

By Senator Lee:

S.B. 1487, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO EXPAND THE PUBLIC-PRIVATE PARTNERSHIP TO EXPAND TECHNOLOGY IN NORTH CAROLINA PUBLIC SCHOOLS, INCLUDING A VOCATIONAL EDUCATION COMPUTER RECYCLING PILOT PROGRAM.

Referred to **Appropriations Committee**.

By Senators Blust, Carpenter, Carrington, Clark, Cochrane, Forrester, Garwood, Ledbetter, McDaniel, Moore, Page and Webster:

S.B. 1488, A BILL TO BE ENTITLED AN ACT TO REFUND THE UNCONSTITUTIONAL INTANGIBLES TAX PAID ON STOCK FOR THE 1990 THROUGH 1994 TAX YEARS WITH INTEREST, REGARDLESS OF THE THIRTY-DAY PROTEST RULE.

Referred to **Finance Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senator Blust:

S.B. 1489, A BILL TO BE ENTITLED AN ACT TO AMEND THE LAW DIRECTLY AND PRIMARILY AFFECTING THE STATE BUDGET.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Purcell, Carpenter, Cochrane, Foxx, Kinnaird, Lucas, Perdue, Warren, Wellons and Winner:

S.B. 1490, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE CONTINUING WORK OF THE OSTEOPOROSIS TASK FORCE.

Referred to **Appropriations Committee**.

By Senators Purcell and Plyler:

S.B. 1491, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO EXPAND THE SCOTLAND COUNTY SATELLITE OF RICHMOND COMMUNITY COLLEGE.

Referred to **Appropriations Committee**.

By Senators Kinnaird, Jenkins, Lucas and Weinstein:

S.B. 1492, A BILL TO BE ENTITLED AN ACT TO REQUIRE CERTAIN STAFFING RATIOS FOR ADULT CARE HOMES AND TO APPROPRIATE FUNDS THEREFOR.

Referred to **Appropriations Committee**.

By Senators Kinnaird, Jenkins, Lucas and Weinstein:

S.B. 1493, A BILL TO BE ENTITLED AN ACT TO DISAPPROVE A RULE PERTAINING TO RATE-SETTING METHODS FOR ADULT CARE HOMES, TO REQUIRE STAFFING RATIOS FOR CERTAIN ADULT CARE HOMES, AND TO APPROPRIATE FUNDS FOR CERTAIN STAFFING REQUIREMENTS.

Referred to **Judiciary Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senators Kinnaird and Lee:

S.B. 1494, A BILL TO BE ENTITLED AN ACT TO REGULATE HUNTING IN LEE COUNTY.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senators Kinnaird, Gulley, Horton, Lucas, Miller, Odom, Shaw of Cumberland, Warren, Wellons and Winner:

S.B. 1495, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE DEPARTMENT OF TRANSPORTATION TO RECYCLE YARD TRASH AND OTHER ORGANIC SOLID WASTE IN HIGHWAY CONSTRUCTION AND MAINTENANCE PROJECTS.

Referred to **Transportation Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senators Albertson, Dannelly, Hoyle, Kerr, Kinnaird, Martin of Guilford, Reeves and Warren:

S.B. 1496, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

By Senators Albertson, Dannelly, Hoyle, Kerr, Kinnaird, Reeves and Warren:

S.B. 1497, A BILL TO BE ENTITLED AN ACT TO INCREASE THE PROCESS AND FACILITIES FEES IN THE GENERAL COURT OF JUSTICE.

Referred to **Appropriations Committee.**

By Senators Albertson, Dannelly, Hoyle, Kerr, Kinnaird, Reeves and Warren:

S.B. 1498, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR CAPITAL IMPROVEMENTS TO THE WATHA FISH HATCHERY.

Referred to **Appropriations Committee.**

By Senators Albertson, Carrington, Dannelly, Gulley, Horton, Hoyle, Kerr, Kinnaird, Ledbetter, Lucas, Martin of Guilford, McDaniel, Moore, Odom, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Guilford, Warren, Weinstein and Wellons:

S.B. 1499, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE NORTH CAROLINA FUTURE FARMERS OF AMERICA CENTER.

Referred to **Appropriations Committee.**

By Senator Foxx:

S.B. 1500, A BILL TO BE ENTITLED AN ACT TO EXEMPT ALLEGHANY COUNTY AND THE TOWN OF SPARTA FROM CERTAIN LAWS RELATED TO THE CONSTRUCTION, PROCUREMENT, AND LEASING OF CRITICAL INFRASTRUCTURE NEEDS.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senator Perdue:

S.B. 1501, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CULTURAL RESOURCES FOR TRYON PALACE HISTORIC SITES AND GARDENS.

Referred to **Appropriations Committee.**

By Senator Perdue:

S.B. 1502, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE JUDICIAL DEPARTMENT FOR THE MEDIATION CENTER OF EASTERN CAROLINA.

Referred to **Appropriations Committee**.

By Senator Perdue:

S.B. 1503, A BILL TO BE ENTITLED AN ACT TO PROVIDE A TAX CREDIT FOR HIRING A LONG-TERM FAMILY ASSISTANCE RECIPIENT.

Referred to **Finance Committee**.

By Senator Perdue:

S.B. 1504, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE NORTH CAROLINA AGRICULTURAL FINANCE AUTHORITY FOR THE RESERVE FOR FARM LOANS.

Referred to **Appropriations Committee**.

By Senator Perdue:

S.B. 1505, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES FOR DREDGING NORTHWEST CREEK MARINA.

Referred to **Appropriations Committee**.

By Senator Gulley:

S.B. 1506, A BILL TO BE ENTITLED AN ACT TO AMEND THE VICTIMS' COMPENSATION ACT.

Referred to **Judiciary Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senator Gulley:

S.B. 1507, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR AN ADDITIONAL MAGISTRATE IN CURRITUCK COUNTY.

Referred to **Appropriations Committee**.

By Senator Gulley:

S.B. 1508, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY FOR THE HIGHWAY PATROL.

Referred to **Appropriations Committee**.

By Senator Gulley:

S.B. 1509, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF DURHAM TO DISCLOSE LIMITED PERSONNEL INFORMATION TO THE MEMBERS OF THE CITIZEN REVIEW BOARD TO FACILITATE ITS REVIEW OF POLICE DISCIPLINARY CASES.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senator Gulley:

S.B. 1510, A BILL TO BE ENTITLED AN ACT TO ALLOW THE NATIONAL GUARD TO ASSIST THE SPECIAL OLYMPICS WITH FUNDS APPROPRIATED TO

THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY.

Referred to **Appropriations Committee.**

By Senators Gulley and Lucas:

S.B. 1511, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE AUTHORITY OF THE CITY OF DURHAM TO PROVIDE STATIONARY CONTAINER SERVICE TO HOUSING UNITS THAT QUALIFY FOR ROLL OUT CART SERVICE WITHOUT CHARGING ADDITIONAL FEES.

Referred to **State Government, Local Government, and Personnel Committee** and upon a favorable report, re-referred to the **Finance Committee.**

By Senators Gulley and Lucas:

S.B. 1512, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE AUTHORITY OF THE COUNTY OF DURHAM TO FUND THE ESTABLISHMENT OF BIKEWAYS AND TRAILS THROUGHOUT THE COUNTY.

Referred to **Appropriations Committee.**

By Senator Gulley:

S.B. 1513, A BILL TO BE ENTITLED AN ACT TO REWRITE THE JUVENILE CODE TO UPDATE THE LAW ON ABUSE, NEGLECT, AND DEPENDENCY, TO CONFORM THIS LAW TO FEDERAL ADOPTION LAW, TO INCORPORATE THE RECOMMENDATIONS OF THE GOVERNOR'S COMMISSION ON JUVENILE CRIME AND JUSTICE INTO THE LAW ON UNDISCIPLINEDNESS AND DELINQUENCY, TO MAKE CONFORMING CHANGES, AND TO APPROPRIATE FUNDS TO IMPLEMENT THESE CHANGES.

Referred to **Judiciary Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senator Plyler:

S.B. 1514, A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF HEMBY BRIDGE.

Referred to **Finance Committee.**

By Senator Plyler:

S.B. 1515, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO RELOCATE, RENOVATE, AND MAINTAIN THE POLK HOUSE.

Referred to **Appropriations Committee.**

By Senator Jordan:

S.B. 1516, A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF MAPLE HILL.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Lee:

S.B. 1517, A BILL TO BE ENTITLED AN ACT TO PERMIT RETIRED TEACHERS TO WORK AS SUBSTITUTE TEACHERS IN PUBLIC SCHOOLS OR AS TEACHERS IN LOW-PERFORMING PUBLIC SCHOOLS WITHOUT LOSING RETIREMENT BENEFITS.

Referred to **Pensions & Retirement and Insurance Committee.**

By Senators Plyler and Purcell:

S.B. 1518, A BILL TO BE ENTITLED AN ACT RELATING TO THE DEFINITION OF SUBDIVISION FOR THE PURPOSE OF SUBDIVISION REGULATION IN STANLY COUNTY.

Referred to **State Government, Local Government, and Personnel Committee.**

On motion of Senator Basnight, seconded by Senator Garwood, the Senate adjourns at 12:17 P.M. to meet Monday, June 1, at 7:00 P.M.

ONE HUNDRED THIRTY-SIXTH DAY

Senate Chamber
Monday, June 1, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"The fourteen year-old editor of a school newspaper told her parents, 'You've always said, be yourself. Be creative. Speak your mind. Well, I did and I got suspended!'

"Forgive us, Oh God, as we grow older for loving the predictable, the secure, the stable. Without Your life-giving breath, we are powerless in the face of prejudice, the walls that divide, words that hurt, diseases that won't be cured and problems that seem insoluble.

"Let us feel Your presence this week. Shake our predictable foundations that we may be creative, speak our minds, vision afresh, all for Your sake, Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator Foxx, Senator Shaw of Guilford, and Senator Soles.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, May 28, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Jeffrey Kent Kobs from Raleigh, North Carolina, who is serving the Senate as Doctor of the Day, and to Dennis Sherrod from Sims, North Carolina, who is serving as Nurse of the Day.

The President of the Senate extends the courtesies of the gallery to the brother of Senator Blust, Mr. David Blust, and to his friend, Mr. Tommy Baker.

REPORTS OF COMMITTEES

Bills and a resolution are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Cooper for the **Judiciary Committee**:

S.B. 1182, A BILL TO BE ENTITLED AN ACT TO REPEAL THE SUNSET ON CHILD SUPPORT FEDERAL REQUIREMENTS IN ORDER TO AVOID LOSS OF FEDERAL FUNDS FOR THE 1998-99 FISCAL YEAR UNDER THE CHILD SUPPORT IV-D ENFORCEMENT PROGRAM AND UNDER THE TEMPORARY ASSISTANCE TO NEEDY FAMILIES FEDERAL BLOCK GRANT, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 6836 is adopted and engrossed.

H.B. 904 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT A SENTENCE OF LIFE IMPRISONMENT WITHOUT PAROLE SHALL BE IMPOSED FOR A SECOND OR SUBSEQUENT CONVICTION OF A CLASS B1 FELONY IF THERE ARE NO MITIGATING CIRCUMSTANCES AND THE VICTIM IS THIRTEEN YEARS OF AGE OR YOUNGER, with an unfavorable report as to Committee Substitute bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill A487 is adopted and engrossed.

On motion of Senator Cooper, the Senate Committee Substitute bill is re-referred to the **Appropriations Committee**.

By Senator Rand for the **Rules and Operations of the Senate Committee**:

S.R. 1189, A RESOLUTION RECOGNIZING THE HISTORIC ACCOMPLISHMENTS OF THE SIR WALTER CABINET AND CONGRATULATING THE ORGANIZATION ON ITS SEVENTY-FIFTH ANNIVERSARY, with an unfavorable report as to Senate Resolution, but favorable as to Committee Substitute Joint Resolution.

Pursuant to Rule 45.1, the proposed Committee Substitute Joint Resolution 3611, which changes the title to read, **S.J.R. 1189** (Committee Substitute Joint Resolution), A JOINT RESOLUTION RECOGNIZING THE HISTORIC ACCOMPLISHMENTS OF THE SIR WALTER CABINET AND CONGRATULATING THE ORGANIZATION ON ITS SEVENTY-FIFTH ANNIVERSARY, is adopted and engrossed.

With unanimous consent, on motion of Senator Rand, the rules are suspended and the Committee Substitute Joint Resolution remains before the Senate for immediate consideration upon its passage.

The Committee Substitute Joint Resolution passes its second (44-0) and third readings and is ordered without objection, sent to the House of Representatives by special messenger.

WITHDRAWAL FROM CLERK'S OFFICE

H.J.R. 1281, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A JOINT RESOLUTION INVITING THE REPUBLICAN NATIONAL COMMITTEE TO HOST ITS NEXT PRESIDENTIAL NOMINATING CONVENTION IN CHARLOTTE, ordered held in the Office of the Principal Clerk on May 28.

With unanimous consent, on motion of Senator Rand, the joint resolution is withdrawn from the Office of the Principal Clerk and placed before the Senate for immediate consideration upon its passage.

The joint resolution passes its second (44-0) and third readings and is ordered enrolled.

CALENDAR

Bills on tonight's Calendar are taken up and disposed of, as follows:

S.B. 1112 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW ABSENTEE VOTING IN LAURINBURG CITY ELECTIONS CONDUCTED BY THE MUNICIPAL BOARD OF ELECTIONS, upon second reading.

With unanimous consent, on motion of Senator Purcell, the Committee Substitute bill is taken up out of its regular order of business and on his further motion, the bill is withdrawn from today's Calendar and is placed on the Calendar for tomorrow, June 2.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1352, A BILL TO BE ENTITLED AN ACT TO REPEAL THE INITIATIVE AND REFERENDUM AUTHORITY OF CABARRUS COUNTY AND THE CITY OF CONCORD.

Referred to **Finance Committee**.

CALENDAR *(Continued)*

S.B. 1123, A BILL TO BE ENTITLED AN ACT ABOLISHING THE OFFICE OF CORONER IN GASTON COUNTY, upon second reading.

The bill passes its second and third readings and is ordered sent to the House of Representatives.

INTRODUCTION OF BILLS AND RESOLUTIONS

Bills and resolutions filed for introduction are presented to the Senate, read the first time, and disposed of, as follows:

By Senator Hartsell:

S.B. 1519, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR A JUDICIAL ASSISTANT IN DISTRICT COURT DISTRICT 19A.

Referred to **Appropriations Committee**.

By Senators Jordan and Albertson:

S.B. 1520, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR ECONOMIC DEVELOPMENT PROJECTS IN JONES COUNTY.

Referred to **Appropriations Committee**.

By Senator Horton:

S.B. 1521, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE STOKES COUNTY MOUNTAIN RESCUE TEAM TO IMPLEMENT THE CARE TRAK SYSTEM IN AN ELEVEN COUNTY REGION.

Referred to **Appropriations Committee.**

By Senator Jenkins:

S.B. 1522, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO CONSTRUCT A FINE AND PERFORMING ARTS CENTER AT WESTERN CAROLINA UNIVERSITY.

Referred to **Appropriations Committee.**

By Senators Winner and Lee:

S.B. 1523, A BILL TO BE ENTITLED AN ACT TO LINK PAY RAISES FOR SUBSTITUTE TEACHERS TO PAY RAISES FOR TEACHERS.

Referred to **Education/Higher Education Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senator Winner:

S.B. 1524, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR A PILOT PROGRAM ON SCHOOL LEADERSHIP ISSUES.

Referred to **Appropriations Committee.**

By Senators Lee and Kinnaird:

S.B. 1525, A BILL TO BE ENTITLED AN ACT TO REIMBURSE CHATHAM COUNTY FOR ITS COSTS ASSOCIATED WITH SELECTING A SITE FOR A PROPOSED LOW-LEVEL RADIOACTIVE WASTE FACILITY.

Referred to **Appropriations Committee.**

By Senators Lucas, Albertson, Dalton, Dannelly, Gulley, Jenkins, Kinnaird, Martin of Pitt, Phillips, Purcell, Reeves, Rucho, Weinstein and Wellons:

S.B. 1526, A BILL TO BE ENTITLED AN ACT TO IMPROVE THE WELFARE WORK FIRST PROGRAM, TO MAKE IT MORE EQUITABLE AND UNIFORMLY APPLIED, AND TO APPROPRIATE FUNDS.

Referred to **Children & Human Resources Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senators Martin of Pitt and Albertson:

S.B. 1527, A BILL TO BE ENTITLED AN ACT TO INCREASE THE PROCESS AND FACILITIES FEES IN THE GENERAL COURT OF JUSTICE.

Referred to **Appropriations Committee.**

By Senator Martin of Pitt:

S.B. 1528, A BILL TO BE ENTITLED AN ACT TO ADJUST THE SALARY OF THE EXECUTIVE DIRECTOR OF THE WILDLIFE RESOURCES COMMISSION.

Referred to **Appropriations Committee.**

By Senators Martin of Pitt and Albertson:

S.B. 1529, A BILL TO BE ENTITLED AN ACT TO ESTABLISH A SPECIAL REVENUE FUND FOR THE EASTERN NORTH CAROLINA AGRICULTURAL

CENTER AND TO ESTABLISH A SPECIAL REVENUE FUND FOR THE SOUTHEASTERN NORTH CAROLINA AGRICULTURAL CENTER.

Referred to **Appropriations Committee**.

By Senators Ballantine, Allran, Blust, Carpenter, Cochrane, Forrester, Foxx, Garwood, Horton, Ledbetter, McDaniel, Rucho and Shaw of Guilford:

S.B. 1530, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT ACTIVE TIME MAY BE IMPOSED IN THE COURT'S DISCRETION FOR CERTAIN DRUG OFFENSES.

Referred to **Judiciary Committee**.

By Senators Martin of Guilford and Dannelly:

S.B. 1531, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO CONTINUE THE STUDY OF THE STATE PSYCHIATRIC HOSPITALS, AND FOR ADVANCED PLANNING FOR A NEW PSYCHIATRIC HOSPITAL AT DOROTHEA DIX HOSPITAL.

Referred to **Appropriations Committee**.

By Senators Martin of Guilford and Dannelly:

S.B. 1532, A BILL TO BE ENTITLED AN ACT TO AMEND THE GENERAL STATUTES PERTAINING TO CUSTODY OF ABUSED AND NEGLECTED JUVENILES AND JUVENILES PLACED FOR ADOPTION IN CONFORMANCE WITH FEDERAL ADOPTION AND SAFE FAMILIES ACT REQUIREMENTS, AND TO APPROPRIATE FUNDS THEREFOR.

Referred to **Appropriations Committee**.

By Senators Dalton, Albertson, Ballance, Ballantine, Blust, Carpenter, Cochrane, Dannelly, Forrester, Garwood, Gulley, Horton, Hoyle, Jenkins, Kinnaird, Lee, Lucas, Martin of Guilford, Martin of Pitt, McDaniel, Miller, Moore, Odom, Purcell, Reeves, Rucho, Warren, Weinstein and Wellons:

S.B. 1533, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE EXPANSION BUDGET FUNDS FOR THE COMMUNITY COLLEGE SYSTEM.

Referred to **Appropriations Committee**.

By Senators Ballance, Albertson, Garwood, Gulley, Jenkins, Kinnaird, Lucas, Miller, Purcell and Warren:

S.B. 1534, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO ASSIST IN THE ESTABLISHMENT OF HEALTHY CAROLINIAN PARTNERSHIP INITIATIVES IN EACH COUNTY.

Referred to **Appropriations Committee**.

By Senators Ballance, Albertson, Dannelly and Rand:

S.B. 1535, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT A SCHOLARSHIP STUDENT WHO ATTENDS A CONSTITUENT INSTITUTION OF THE UNIVERSITY OF NORTH CAROLINA SHALL BE TREATED AS A NORTH CAROLINA RESIDENT FOR ALL PURPOSES.

Referred to **Appropriations Committee**.

By Senator Rand:

S.B. 1536, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO

THE DEPARTMENT OF CULTURAL RESOURCES FOR THE RECLASSIFICATION OF BRANCH MUSEUM ADMINISTRATORS OF THE NORTH CAROLINA MUSEUM OF HISTORY.

Referred to **Appropriations Committee**.

By Senator Reeves:

S.J.R. 1537, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF JAMES M. POYNER, FORMER MEMBER OF THE GENERAL ASSEMBLY.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Reeves:

S.J.R. 1538, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF WILLIAM CLINTON "BUCK" HARRIS JR., FORMER MEMBER OF THE GENERAL ASSEMBLY.

Referred to **Rules and Operations of the Senate Committee.**

By Senators Reeves and Miller:

S.B. 1539, A BILL TO BE ENTITLED AN ACT TO ALLOW CITIES TO REQUIRE THAT A FOOD OR RETAIL BUSINESS THAT HOLDS AN ABC PERMIT AND IS LOCATED IN AN URBAN REDEVELOPMENT AREA OR WITHIN ONE THOUSAND FIVE HUNDRED FEET OF A SCHOOL OR CHILD CARE CENTER MAY ONLY BE OPERATED WITH A SPECIAL USE PERMIT OR CONDITIONAL USE PERMIT.

Referred to **State Government, Local Government, and Personnel Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senators Reeves and Cooper:

S.B. 1540, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE DEVELOPMENT OF THE EXPLORIS CHILDREN'S MUSEUM ABOUT THE WORLD.

Referred to **Appropriations Committee**.

By Senators Reeves, Albertson, Miller and Plyler:

S.B. 1541, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE CONSTRUCTION AND PLANNING OF CAPITAL IMPROVEMENTS AND RELATED PROJECTS AT NORTH CAROLINA STATE UNIVERSITY.

Referred to **Appropriations Committee**.

By Senator Plyler:

S.B. 1542, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO MODIFY THE SALARY SCHEDULE FOR THE STATE HIGHWAY PATROL.

Referred to **Appropriations Committee**.

By Senators Plyler, Hoyle, Odom and Purcell:

S.B. 1543, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF COMMERCE FOR THE SOUTHERN PIEDMONT TRANSIT AUTHORITY.

Referred to **Appropriations Committee**.

By Senators Plyler and Purcell:

S.B. 1544, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR UNION HOUSE, A REHABILITATION PROGRAM FOR ADULTS WITH LONG-TERM AND SEVERE MENTAL ILLNESS.

Referred to **Appropriations Committee**.

By Senators Plyler and Purcell:

S.B. 1545, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CULTURAL RESOURCES FOR THE RESTORATION OF THE SANFORD HOUSE IN LAURINBURG.

Referred to **Appropriations Committee**.

By Senators Odom, Allran, Forrester and Hoyle:

S.B. 1546, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE MATCHING FUNDS TO PROVIDE TECHNOLOGY IN THE LINCOLN COUNTY SCHOOLS.

Referred to **Appropriations Committee**.

By Senators Weinstein and Albertson:

S.B. 1547, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE TOWN OF ROSEBORO FOR RENOVATION AND RESTORATION PROJECTS.

Referred to **Appropriations Committee**.

By Senators Weinstein and Albertson:

S.B. 1548, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE TOWN OF SALEMBURG FOR RENOVATION AND RESTORATION PROJECTS.

Referred to **Appropriations Committee**.

By Senators Foxx, Albertson, Ballance, Ballantine, Blust, Carpenter, Cochrane, Dalton, Dannelly, Forrester, Garwood, Horton, Hoyle, Jenkins, Kerr, Ledbetter, Lee, Lucas, Martin of Guilford, Martin of Pitt, McDaniel, Miller, Moore, Odom, Phillips, Purcell, Rand, Reeves, Rucho, Shaw of Guilford, Soles, Warren, Weinstein and Wellons:

S.B. 1549, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO PROVIDE INCENTIVES TO ENCOURAGE COMMUNITY COLLEGES TO INCREASE COLLEGE CLASSES TO APPROPRIATE HIGH SCHOOL STUDENTS.

Referred to **Appropriations Committee**.

By Senators Cochrane, Ballantine, Carpenter, Forrester, Foxx, Garwood, Horton, Jenkins, Ledbetter, Lucas, Purcell and Rucho:

S.B. 1550, A BILL TO BE ENTITLED AN ACT DIRECTING THE DEPARTMENT OF CORRECTION TO ESTABLISH A PILOT ZERO-TOLERANCE DRUG SUPERVISION PROGRAM AS A MEANS OF REDUCING PRISON TIME FOR CERTAIN NONVIOLENT OFFENDERS AND APPROPRIATING FUNDS TO IMPLEMENT THE PROGRAM.

Referred to **Appropriations Committee**.

By Senator Gulley:

S.B. 1551, A BILL TO BE ENTITLED AN ACT TO GIVE CHARTER SCHOOLS THE SAME HIGHWAY USE TAX EXEMPTION AND MOTOR FUEL TAX EXEMPTION AS PUBLIC SCHOOLS, TO ALLOW CHARTER SCHOOLS TO ELECT

TO PARTICIPATE IN THE NORTH CAROLINA TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, IN THE NORTH CAROLINA TEACHERS' AND STATE EMPLOYEES' MAJOR MEDICAL COMPREHENSIVE PLAN, OR BOTH, AND TO ESTABLISH A MEDIATION PROCESS BETWEEN CHARTER SCHOOLS AND LOCAL BOARDS OF EDUCATION.

Referred to **Finance Committee**.

By Senator Kerr:

S.B. 1552, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE LAW REGARDING A NOTARY PUBLIC'S STAMP OR SEAL, TO ALLOW EMPLOYEES OF THE NOTARY DIVISION TO ACT AS NOTARIES EX OFFICIO, AND TO IMPOSE A FEE TO BE CERTIFIED AS AN INSTRUCTOR.

Referred to **Finance Committee**.

By Senator Rand:

S.B. 1553, A BILL TO BE ENTITLED AN ACT RELATING TO NORTH CAROLINIANS WHO ENROLL AS FULL-TIME COMMUNITY COLLEGE STUDENTS DIRECTLY AFTER HIGH SCHOOL.

Referred to **Appropriations Committee**.

By Senators Rand, Cooper, Hoyle, Lee, Odom, Perdue, Plyler, Soles and Winner:

S.B. 1554, A BILL TO BE ENTITLED AN ACT TO AMEND THE EXCISE TAX ON CONTROLLED SUBSTANCES.

Referred to **Finance Committee**.

By Senator Rand:

S.B. 1555, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE VOLUNTEER FIRE DEPARTMENT AND VOLUNTEER RESCUE/EMS FUNDS AND TO MAKE CONFORMING CHANGES TO THE GENERAL STATUTES.

Referred to **Appropriations Committee**.

By Senator Rand:

S.B. 1556, A BILL TO BE ENTITLED AN ACT TO AMEND THE HIGHER EDUCATIONAL FACILITIES FINANCE ACT TO PROVIDE THAT THE ACT APPLIES TO PRIVATE INSTITUTIONS FOR ELEMENTARY AND SECONDARY EDUCATION.

Referred to **Finance Committee**.

By Senators Rand, Ballance, Cochrane, Cooper, Hoyle, Lee, Odom, Perdue, Plyler, Soles and Winner:

S.B. 1557, A BILL TO BE ENTITLED AN ACT TO PROVIDE DENTAL, VISION, AND HEARING BENEFITS FOR DEPENDENT CHILDREN UNDER THE AGE OF NINETEEN YEARS IN THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN.

Referred to **State Government, Local Government, and Personnel Committee.**

By Senators Albertson, Garwood, Martin of Pitt and Purcell:

S.B. 1558, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR FACILITIES AND EQUIPMENT NEEDS FOR THE AGRICULTURAL RESEARCH

SERVICE AND THE COOPERATIVE EXTENSION SERVICE AT NORTH CAROLINA STATE UNIVERSITY.

Referred to **Appropriations Committee**.

By Senators Albertson, Ballance, Blust, Carpenter, Cochrane, Cooper, Dalton, Forrester, Foxx, Garwood, Gulley, Horton, Hoyle, Jenkins, Kerr, Kinnaird, Lee, Martin of Pitt, McDaniel, Miller, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Guilford, Soles, Warren, Weinstein and Wellons:

S.B. 1559, A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE COMMISSION ON SMALL FAMILY FARM PRESERVATION.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Albertson:

S.B. 1560, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO MATCH FEDERAL FUNDS THAT WILL BE USED FOR A MULTIPURPOSE BUILDING FOR ECONOMIC DEVELOPMENT AND TRAINING PURPOSES IN THE TOWN OF WARSAW IN DUPLIN COUNTY.

Referred to **Appropriations Committee**.

By Senators Albertson and Martin of Pitt:

S.B. 1561, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE DEVELOPMENT OF AN OUTER BANKS CENTER FOR WILDLIFE EDUCATION.

Referred to **Appropriations Committee**.

By Senator Albertson:

S.B. 1562, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE BILINGUAL TEACHER ASSISTANT DEMONSTRATION PROGRAM.

Referred to **Appropriations Committee**.

By Senators Albertson and Martin of Pitt:

S.B. 1563, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE REQUIRED TESTING OF ANIMAL WASTE IN ORDER TO PROTECT WATER QUALITY.

Referred to **Appropriations Committee**.

By Senators Albertson, Martin of Pitt, Purcell and Wellons:

S.B. 1564, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR FOOD SAFETY.

Referred to **Appropriations Committee**.

By Senators Albertson and Carpenter:

S.B. 1565, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE REGISTRATION OF DEALERS IN POULTRY AND RATITES, TO PROHIBIT SPECIALTY MARKET OPERATORS FROM PERMITTING UNREGISTERED POULTRY OR RATITE DEALERS FROM OPERATING AT SPECIALTY MARKETS, AND TO APPROPRIATE FUNDS FOR THE ENFORCEMENT OF THESE REGISTRATION REQUIREMENTS.

Referred to **Agriculture/Environment/Natural Resources Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senator Albertson:

S.B. 1566, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR MULTIFLORA ROSE CONTROL.

Referred to **Appropriations Committee**.

By Senators Blust, Ballantine, Carpenter, Cochrane, Forrester, Foxx, Garwood, Horton, Ledbetter, McDaniel, Moore, Rand and Shaw of Guilford:

S.B. 1567, A BILL TO BE ENTITLED AN ACT TO IMPROVE THE ORGANIZATION AND OPERATIONS OF THE BOARD OF TRANSPORTAION.

Referred to **Transportation Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senators Hoyle and Phillips:

S.B. 1568, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE CHILD CARING INSTITUTION FUND.

Referred to **Appropriations Committee**.

By Senators Ballance, Blust, Cochrane, Cooper, Dalton, Horton, Hoyle, Lucas, Martin of Guilford, McDaniel, Phillips, Purcell and Warren:

S.B. 1569, A BILL TO BE ENTITLED AN ACT TO FURTHER PROMOTE DEVELOPMENT IN ALL AREAS OF THE STATE BY MODIFYING THE WILLIAM S. LEE QUALITY JOBS AND BUSINESS EXPANSION ACT, CREATING STATE DEVELOPMENT ZONES, PROVIDING FUNDS FOR INFRASTRUCTURE IN RURAL AND LESS PROSPEROUS AREAS, AND ENCOURAGING DEVELOPMENT OF AIR COURIER HUBS.

Referred to **Finance Committee**.

By Senators Hoyle and Martin of Pitt:

S.B. 1570, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO IMPROVE THE SANITATION PROGRAM FOR FOOD AND LODGING ESTABLISHMENTS.

Referred to **Appropriations Committee**.

By Senators Hoyle, Albertson, Ballance, Blust, Carpenter, Carrington, Cooper, Dalton, Foxx, Garwood, Hartsell, Horton, Jenkins, Ledbetter, Lee, Martin of Pitt, Odom, Perdue, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Guilford, Soles, Warren, Weinstein and Wellons:

S.B. 1571, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE REGISTRATION AND BONDING OR THE ESTABLISHMENT OF A TRUST ACCOUNT BY TICKET BROKERS, TO REQUIRE SALES BY A TICKET BROKER TO TAKE PLACE OFF THE PROPERTY WHERE THE EVENT IS TO BE HELD AND TO LIMIT SALES BY A TICKET BROKER TO NO MORE THAN ONE PERCENT OF THE TOTAL TICKETS.

Referred to **Finance Committee**.

By Senators Kinnaird, Ballance, Dalton, Gulley, Lee, Miller, Odom and Reeves:

S.B. 1572, A BILL TO BE ENTITLED AN ACT TO ELIMINATE STATE FUNDING RELATED TO SITING A LOW-LEVEL RADIOACTIVE WASTE

FACILITY IN NORTH CAROLINA.

Referred to **Appropriations Committee**.

By Senators Shaw of Cumberland, Jenkins, Lucas, Rand and Weinstein:

S.B. 1573, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO STUDY THE FEASIBILITY OF DEVELOPING A STATE PARK IN NORTHEASTERN CUMBERLAND COUNTY AND DEVELOPING A STATE RESERVOIR LOCATED IN THAT STATE PARK.

Referred to **Appropriations Committee**.

By Senators Shaw of Cumberland, Lucas, Rand and Weinstein:

S.B. 1574, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE EXPANSION OF THE CUMBERLAND COUNTY INDUSTRIAL PARK.

Referred to **Appropriations Committee**.

By Senator Gulley:

S.B. 1575, A BILL TO BE ENTITLED AN ACT TO STRENGTHEN ENFORCEMENT OF ELECTION LAWS.

Referred to **Judiciary Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senator Jordan:

S.B. 1576, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR RENOVATION AND RESTORATION PROJECTS OF THE TOWNS ON TOPSAIL ISLAND.

Referred to **Appropriations Committee**.

By Senators Blust, Ballantine, Forrester, Horton and Moore:

S.B. 1577, A BILL TO BE ENTITLED AN ACT TO SIMPLIFY AND REDUCE DEATH TAXES BY REPLACING THE NORTH CAROLINA INHERITANCE TAX WITH A STATE ESTATE TAX BASED ON THE FEDERAL ESTATE TAX.

Referred to **Finance Committee**.

By Senator Lee:

S.B. 1578, A BILL TO BE ENTITLED AN ACT TO ALLOW GREATER FLEXIBILITY IN ADMINISTERING AND MANAGING THE UNIVERSITY OF NORTH CAROLINA HOSPITALS, TO MODIFY THE HEALTH CARE FACILITIES AUTHORITY, AND TO APPROPRIATE FUNDS TO IMPLEMENT THIS ACT.

Referred to **Appropriations Committee**.

By Senator Perdue:

S.B. 1579, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF CULTURAL RESOURCES TO SUPPORT THE PERFORMING ARTS AND TO FUND GRANTS FOR CULTURAL, HISTORICAL, AND ARTISTIC ORGANIZATIONS AND PROJECTS.

Referred to **Appropriations Committee**.

By Senators Perdue and Dalton:

S.B. 1580, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO

SUPPORT RADIO STATIONS BROADCASTING AT COMMUNITY COLLEGES.

Referred to **Appropriations Committee.**

By Senator Warren:

S.B. 1581, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE DEPARTMENT OF INSURANCE.

Referred to **Appropriations Committee.**

By Senators Warren and Wellons:

S.B. 1582, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE OFFICE OF STATE CONTROLLER, DEPARTMENT OF CULTURAL RESOURCES, AND THE OFFICE OF ADMINISTRATIVE HEARINGS.

Referred to **Appropriations Committee.**

By Senator Reeves:

S.B. 1583, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE CENTENNIAL CAMPUS AT NORTH CAROLINA STATE UNIVERSITY INCLUDES THE COLLEGE OF VETERINARY MEDICINE, TO CLARIFY THAT THE BOARD OF GOVERNORS HAS THE AUTHORITY TO DESIGNATE THE REAL ESTATE AND APPURTENANT FACILITIES THAT COMPRISE THE CENTENNIAL CAMPUS AT NORTH CAROLINA STATE UNIVERSITY, TO MODIFY THE AUTHORITY OF THE BOARD OF GOVERNORS WITH REGARD TO CERTAIN TYPES OF DISPOSITIONS OF CENTENNIAL CAMPUS PROPERTY, AND TO EXEMPT CERTAIN REAL ESTATE TRANSACTIONS ON THE CENTENNIAL CAMPUS FROM PAYMENT OF THE STATE LAND SERVICE CHARGE.

Referred to **Education/Higher Education Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senator McDaniel:

S.B. 1584, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT NORTH CAROLINA MAY RECOGNIZE CONCEALED HANDGUN PERMITS FROM RECIPROCATING STATES.

Referred to **Appropriations Committee.**

By Senator Horton:

S.B. 1585, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO PROVIDE SCHOLARSHIPS TO STUDENTS ASSIGNED TO THE LOW-PERFORMING SCHOOLS THAT HAVE STATE ASSISTANCE TEAMS.

Referred to **Appropriations Committee.**

By Senator Albertson:

S.B. 1586, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR ACADEMIC ENHANCEMENT SALARY INCREASES AT NORTH CAROLINA STATE UNIVERSITY.

Referred to **Appropriations Committee.**

By Senator Cooper:

S.B. 1587, A BILL TO BE ENTITLED AN ACT TO PROHIBIT THE DISSEMINATION OF OBSCENITIES BY COMPUTER TRANSMISSION, TO PROHIBIT THE USE OF STATE COMPUTERS TO ACCESS OBSCENITIES, TO

REGULATE CERTAIN USES OF STATE COMPUTERS, AND TO REQUIRE THE INSTALLATION OF APPROPRIATE SOFTWARE ON CERTAIN COMPUTERS ACCESSIBLE TO THE PUBLIC OR THE USE OF OTHER APPROPRIATE MANAGEMENT SCHEMES TO SHIELD MINORS FROM OBSCENITIES TRANSMITTED BY COMPUTER.

Referred to **Judiciary Committee**.

By Senator Cooper:

S.J.R. 1588, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A BILL TO BE ENTITLED AN ACT TO PROHIBIT THE DISSEMINATION OF OBSCENITIES BY COMPUTER TRANSMISSION, TO PROHIBIT THE USE OF STATE COMPUTERS TO ACCESS OBSCENITIES, TO REGULATE CERTAIN USES OF STATE COMPUTERS, AND TO REQUIRE THE INSTALLATION OF APPROPRIATE SOFTWARE ON CERTAIN COMPUTERS ACCESSIBLE TO THE PUBLIC OR THE USE OF OTHER APPROPRIATE MANAGEMENT SCHEMES TO SHIELD MINORS FROM OBSCENITIES TRANSMITTED BY COMPUTER.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Odom:

S.B. 1589, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR A GRASSROOTS SCIENCE MUSEUMS PROGRAM ADMINISTERED BY THE MUSEUM OF NATURAL SCIENCES TO IMPROVE STATE PROGRAMS IN SCIENCE AND ENVIRONMENTAL EDUCATION.

Referred to **Appropriations Committee**.

By Senators Odom, Dannelly and Plyler:

S.B. 1590, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE MUSEUM OF THE NEW SOUTH, INC., FOR CAPITAL IMPROVEMENTS.

Referred to **Appropriations Committee**.

By Senators Odom, Carpenter, Dannelly, Lucas, Martin of Guilford and Warren:

S.B. 1591, A BILL TO BE ENTITLED AN ACT TO INCREASE THE MEMBERSHIP ON THE ADVISORY COMMITTEE ON CANCER COORDINATION AND CONTROL AND APPROPRIATE FUNDS THEREFOR.

Referred to **Appropriations Committee**.

By Senator Ballance:

S.B. 1592, A BILL TO BE ENTITLED AN ACT TO DIRECT REOPENING OF A SECONDARY ROAD IN BERTIE COUNTY EXPENDITURE OF FUNDS IF NECESSARY.

Referred to **Transportation Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

By Senator Ballance:

S.B. 1593, A BILL TO BE ENTITLED AN ACT REGULATING THE PRACTICE OF MASSAGE AND BODYWORK THERAPY.

Ordered held in the Office of the Principal Clerk and upon receipt of an assessment report pursuant to Rule 42.3, referred to the **Finance Committee.**

By Senator Lee:

S.B. 1594, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE STATE BOARD OF EDUCATION TO SET TEACHER CERTIFICATION FEES.

Referred to **Education/Higher Education Committee**.

By Senator Lee:

S.B. 1595, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE STUDY OF GIFTS BY LOBBYISTS TO LEGISLATORS AND TO RESTRICT GIFTS BY LOBBYISTS TO MEMBERS OF THE GENERAL ASSEMBLY.

Referred to **Rules and Operations of the Senate Committee.**

By Senator Lee:

S.B. 1596, A BILL TO BE ENTITLED AN ACT TO AMEND THE TORT CLAIMS ACT TO INCREASE THE CEILING FOR MEDICAL EXPENSES IN SCHOOL BUS ACCIDENTS, AND COVERING LIABILITY FOR ACTS OF BUS MONITORS AND SCHOOL BUS VOLUNTEERS.

Referred to **Judiciary Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

On motion of Senator Basnight, seconded by Senator Jordan, the Senate adjourns at 7:19 P.M. to meet tomorrow, Tuesday, June 2, at 1:00 P.M.

ONE HUNDRED THIRTY-SEVENTH DAY

Senate Chamber
Tuesday, June 2, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend James Andrews, Pastor of the Clinton Baptist Church, Clinton, North Carolina, as follows:

"Our Father who is in Heaven, hallowed be Thy Name. We bow in Your presence today and thank You for Your grace and mercy upon each one of us.

"Our Father, we come before You and acknowledge our need for Your wisdom and guidance in the decisions and business of the day.

"We pray Your blessings on the men and women here who endeavor to lead this great State of North Carolina - as a part of one nation under God.

"Father, may we ever be consciously aware that our business is Your business. We ask this in Jesus' name with thanksgiving. Amen."

Senator Rand announces the Journal of yesterday, Monday, June 1, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. John Hinson from Lexington, North Carolina, who is serving the Senate as Doctor of the Day, and to Cheryl

Proctor from Raleigh, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED RESOLUTION

The Enrolling Clerk reports the following resolution duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.J.R. 1281, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A JOINT RESOLUTION INVITING THE REPUBLICAN NATIONAL COMMITTEE TO HOST ITS NEXT PRESIDENTIAL NOMINATION CONVENTION IN CHARLOTTE. (Res. 34)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Albertson for the **Agriculture/Environment/Natural Resources Committee**:

S.B. 1274, A BILL TO BE ENTITLED AN ACT TO EXTEND THE TIME FOR THE RESOLUTION OF CLAIMS TO LAND UNDER NAVIGABLE WATERS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, with a favorable report.

S.B. 1276, A BILL TO BE ENTITLED AN ACT TO EXTEND THE MORATORIUM ON ISSUING SHELLFISH CULTIVATION LEASES IN CORE SOUND, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE, with a favorable report.

S.B. 1269, A BILL TO BE ENTITLED AN ACT TO EXTEND BY SIX MONTHS THE DATE BY WHICH WELL CONTRACTORS MUST BE CERTIFIED UNDER THE NORTH CAROLINA WELL CONTRACTORS CERTIFICATION ACT AND TO EXTEND THE TIME FOR THE ADOPTION OF RULES BY THE WELL CONTRACTORS CERTIFICATION COMMISSION, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 3613, which changes the title to read, **S.B. 1269** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXTEND BY ONE YEAR THE DATE BY WHICH WELL CONTRACTORS MUST BE CERTIFIED UNDER THE NORTH CAROLINA WELL CONTRACTORS CERTIFICATION ACT AND TO EXTEND THE TIME FOR THE ADOPTION OF RULES BY THE WELL CONTRACTORS CERTIFICATION COMMISSION, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, is adopted and engrossed.

By Senator Soles for the **Commerce Committee:**

H.B. 794 (Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO MAKE SUBSTANTIVE CHANGES TO THE NORTH CAROLINA ENGINEERING

AND LAND SURVEYING ACT, with an unfavorable report as to Committee Substitute bill No. 3, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 4197 is adopted and engrossed.

Pursuant to Rule 43, the Senate Committee Substitute bill is re-referred to the **Finance Committee**.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1247, A BILL TO BE ENTITLED AN ACT ABOLISHING THE OFFICE OF CORONER IN ASHE COUNTY.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1256, A BILL TO BE ENTITLED AN ACT ABOLISHING THE OFFICE OF CORONER IN GASTON COUNTY.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1288, A BILL TO BE ENTITLED AN ACT TO ADD TWO MEMBERS TO THE MONTREAT BOARD OF COMMISSIONERS AND TO PROVIDE FOR THE ELECTION OF THE ADDITIONAL MEMBERS.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1289, A BILL TO BE ENTITLED AN ACT PERMITTING THE ROWAN-SALISBURY BOARD OF EDUCATION TO CONVEY TO THE ROWAN COUNTY VOCATIONAL WORKSHOP, INC., ITS REMAINING INTEREST IN THE PROPERTY PREVIOUSLY CONVEYED TO THAT ENTITY.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1290, A BILL TO BE ENTITLED AN ACT TO GRANT AUTHORITY TO THE TOWN OF WAYNESVILLE TO ADDRESS ABANDONED STRUCTURES IN THE SAME MANNER AS MUNICIPALITIES IN COUNTIES WITH A POPULATION OF OVER ONE HUNDRED SIXTY-THREE THOUSAND.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1306, A BILL TO BE ENTITLED AN ACT TO ALLOW THE AVERY COUNTY BOARD OF EDUCATION TO BUILD A SCHOOL BUILDING ON LAND NOT OWNED IN FEE SIMPLE BY THE BOARD.

Referred to **State Government, Local Government, and Personnel Committee.**

CALENDAR

Without objection, upon motion of Senator Rand, all bills on today's Calendar are carried forward as unfinished business on tomorrow's Calendar.

The Senate recesses at 1:27 P.M. to reconvene at 1:37 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

REPORT OF COMMITTEE

A standing committee report is submitted out of the regular order of business, a Joint Resolution is read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

S.J.R. 1224, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF J. OLLIE HARRIS, FORMER MEMBER OF THE GENERAL ASSEMBLY, unfavorable as to Joint Resolution, but favorable as to Committee Substitute Joint Resolution.

Pursuant to Rule 45.1, the proposed Committee Substitute Joint Resolution 3614 is adopted and engrossed.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A special message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

S.B. 845, (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PERMIT THE STATE TO PROVIDE SCHOOL AND ACTIVITY BUSES FOR THE TRANSPORTATION NEEDS OF THE SPECIAL OLYMPICS, which is placed on the Calendar for tomorrow, Wednesday, June 3.

COMMITTEE REFERRAL RECALL

S.B. 1149, A BILL TO BE ENTITLED AN ACT TO REPEAL THE REQUIREMENT PERTAINING TO THE REIMBURSEMENT RATE FOR THE RESPITE CARE PROGRAM, referred to **Appropriations Committee** on May 18.

Pursuant to Rule 47(a), Senator Plyler offers a motion that the bill be withdrawn from the **Appropriations Committee** and re-referred to the **Commerce Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Appropriations Committee** and refers the measure to the **Commerce Committee**.

The President recognizes the following pages serving in the Senate this week:

Catherine Miles Baker, Edenton; Shea Adair Benson, Salisbury; Richard Blust, Boone; Erin Marie Boggs, Dallas; Ethan Michael Denny, Madison; Michael Fanney, Smithfield; Mary Catherine Gurganus, Edenton; Joi Monique Heggins, Durham; Matthew C. Henson, North Wilkesboro; James Chadwick Hinton, Nashville; Jennifer Page Malcom, Burlington; Laura Elizabeth McDaniel, Winston-Salem; Catherine Crawley Parker, Goldsboro; Susan Elizabeth Partin, Edenton; Paresma Rasiklal Patel, Rocky Mount; Julia Katherine Ray, Winston-Salem; Frankye Jeanelle Riley, Durham; Martha Diana Robbins, Hudson; Kelly Joanna Schafer, Dallas; Cameron Smith,

Gastonia; Jocelyn April Tanner, Huntersville; Martin G. Turner, Durham; Cameron Paul Waff, Edenton; and Elizabeth Weaver, Raleigh.

On motion of Senator Rand, seconded by Senator Lucas, the Senate adjourns at 2:03 P.M. to meet tomorrow, Wednesday, June 3, at 2:00 P.M.

ONE HUNDRED THIRTY-EIGHTH DAY

Senate Chamber
Wednesday, June 3, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, each day a multitude of voices are begging us to buy, to experience, to believe and to side with certain views and beliefs.

"Help us to listen well but strive for balance in our lives. For most issues are bounded by two extremes, and often the truth lies somewhere in the middle.

"Grant us the wisdom through Your Word and through Your Spirit to practice balance in our thinking and doing, otherwise we might swing to extremes, appear ridiculous and lose our effectiveness with others.

"And keep us from being willfully ignorant and prejudiced concerning the other person's views, for in doing so we may miss the truth. Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Rand.

CALENDAR

S.J.R. 1224 (Committee Substitute), A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF J. OLLIE HARRIS, FORMER MEMBER OF THE GENERAL ASSEMBLY, on today's Calendar, upon second reading.

Without objection, upon motion of Senator Dalton, the Committee Substitute joint resolution is taken up out of its regular order of business, and is placed before the Senate for immediate consideration. Without objection, upon motion of Senator Dalton the Committee Substitute joint resolution is read in its entirety.

The President of the Senate orders the remarks of the Senators memorializing the life and memory of J. Ollie Harris, former Member of the General Assembly, spread upon the Journal, as follows:

Senator Dalton:

"Thank you, Mr. President. Members of the Senate, twelve years ago my family and I moved into the Taylor House in Rutherfordton. It was called the Taylor House then, it's called the Taylor House now, it will always be called the Taylor House. And that's fitting and appropriate because it was Mr. Taylor that designed it, built a great foundation, made it a wonderful place to live.

"Similarly, when I came to this Body, to the North Carolina Senate, many of you caught me in the hallway and you would say, 'Where are you from?'. And I would say, 'Rutherfordton.' And you would have a puzzled look on your face. And you would say, 'What other cities are in the district?' And I would say, 'Shelby, Kings Mountain.' And then the light bulb would go off. And you would say, 'Ollie's district.'

"And indeed it is, I'm proud to represent it. It's Ollie's district, it has been since 1971 when he first came to this Body. It's Ollie's district now and, as far as I'm concerned, it will always be Ollie's district. That's because it was Ollie Harris who had the vision to make it a progressive area. Ollie Harris who loved and cared for the people in that area. And it was Ollie Harris who gave it great leadership for so many years. His grandson, John Harris, is in the gallery and I think he knows what a wonderful legacy he has inherited.

"Ollie Harris cast a large shadow. He was a big man in many different ways, physically and figuratively. But it took a big man like Ollie to hold all of that common sense and compassion. I can tell you when I campaigned in 1996, I would go to the businesses and industries and they would tell me, 'Just go down there and do what Ollie did.' By the same token, he was the champion of the disadvantaged, as evidenced by naming the mental health facility in Cleveland County in his honor. It was a cause very near and dear to his heart. And if Ollie Harris was your friend, he was a friend for life. Senator Rauch and Senator Hunt and Representative Hunt, his good friend Dean Westmoreland, and the others in the gallery know what I'm talking about.

"At his funeral, Senator Rauch told the story of how he was confronted with peculiar facts and circumstances where he had to be in New York the next day. And because of those facts and circumstances, he could not drive himself, nor could he fly. He told Ollie about his crisis and Ollie said, 'Well, that's fine, I'll drive you to New York.' Senator Rauch says, 'No, no, I don't mean for you to do that.' And Ollie said, 'Oh, I was going to go anyway.' That's the kind of fellow that Ollie Harris was.

"And Ollie Harris is someone who stood up for his convictions. That's another way of saying he was very stubborn. He believed in what Yogi Berra said, 'It's not over until it's over,' and sometimes when it was over, Ollie kept fighting. You all may remember the seat belt bill, seat belt law. He did not like that. He thought it was an infringement on individual freedom. And when he lost that vote he went to his family physician who certified that he was claustrophobic and could not wear a seat belt and he drove the highways without a seat belt from that time on. Soon there is a portion of Highway 74 near Kings Mountain that will be named in his honor. It will be Ollie's Highway. As I drive that highway, I will always remember the seat belt story and the man behind it. Ollie Harris has had a positive impact on many, many lives. His former Clerk, Janet Pruitt, is with us today. And all the people in Rutherford, Polk, Cleveland, Gaston County, he has had a positive impact on their life in the past, today, and in the future. He is remembered fondly with love and respect, and I am proud to follow him and represent his people. And if you ever have any questions of me, you will know how to find me, come to Room 2113, Ollie's office. Thank you."

Senator Hoyle:

"Thank you Mr. President and Members of the Senate. I probably had the privilege of knowing Ollie Harris probably longer than any sitting member of this Chamber. Ollie was a wonderful friend and a dear person. I remember meeting Ollie in 1971 when I was Mayor of Dallas and he was campaigning for the State Senate. And he came by and his slogan was '*Send Ollie to Raleigh*'. Now how in the world could you not support a man with a slogan like that.

"I had the opportunity to serve one term up here with Ollie and we spent some time together and had dinner together a few times and rode back and forth to, to Gastonia and to Kings Mountain together and in the most private moments I never heard Ollie Harris say an unkind word about a soul. He was that kind of person. He was gruff; he'd tell you how he felt about an issue, but he never took anything personal and he never had anything unkind to say about his fellow man. Ollie had a, had a heart for children, particularly children with special needs.

"Ollie will be missed. He will never be forgotten in his beloved home town of Kings Mountain in Cleveland County. I am indeed fortunate to have had the opportunity to have the friendship of a man like Ollie Harris."

Senator Odom:

"There were two really big men in this chamber when I came here in 1989, Senator Royall and Senator Harris, and over the next several years they became two men that I admired and respected. You've heard the resolution with regard to the areas of the least of these, our people, that Senator Harris was an advocate for and for that I appreciated him. But I think from the standpoint of humor, he also enjoyed a laugh and a good story. And several years ago, I asked him if a story that was going around about him was true, and he said it was. And I just want...it has become one of my favorite stories. Apparently he was wanting to speed just a little bit and one day he was coming to Raleigh and he apparently was going a little too fast and the highway patrolman stopped him. And he said the highway patrolman came up to his car and Senator Harris said, 'Young man I was not speeding was I ?'. And the patrolman said, 'Senator, let me put it this way. You passed the car I was chasing.' Senator Harris said that that was a true story, and because of that he was even more greatly admired by myself that could talk to a patrolman in that kind of situation. But for someone who came here in 1989 and was a freshman, he was someone that I looked up to and I have missed him since he has not been among us."

Senator Lee:

"Mr. President and Members of the Senate, I met Senator Harris in the late 70's, 1977 to be exact, when Governor Hunt asked me to come to be his Secretary of Natural Resources. The most, I suppose, disconcerting experience for any young person in Raleigh during those days was to have to appear before Appropriations, and being Secretary of NRCD, as it was called at that time, I seemed to always be appearing before Appropriations. And I remember coming over having to make a presentation, Senator Rauch, on behalf of the Zoo asking for twelve million dollars. And I recall Senator Harris taking me on in the Committee, and really enjoying himself thoroughly as I tried to answer the questions, especially since he said his good friend, Senator Walker, and others had promised after the first one million they'd never come back to the Legislature for a second million.

"I called Senator Walker yesterday and he very much wanted to be here and he asked if I would remember his good friend Ollie Harris, because Ollie Harris and Russell Walker were very close during the time they served here. I was also warned when I came that Senator Harris could be a tough Legislator, and that I should be careful about the motion he loved to make more than any others, 'Lay it upon the table.' When I think of Human Resources, I certainly have a deep appreciation for Senator Lucas and Senator Martin and many people who give leadership in that area. But when I think of Human Resources and the giants in that area, I can't help but think of Russell Walker, Helen Marvin, Jim Richardson, and the most ardent fighter of all for people, was Ollie Harris. He believed in fighting for mental health services, social services, and human services and doing

everything possible to make the lives of people better. And so as I conclude, I think of him in these terms:

'Isn't it strange that princes and kings and clowns that caper in sawdust rings,
And common folk like you and Ollie and me, are builders for eternity.
Each is given a bag of tools, a shapeless mass, a book of rules,
And each may build 'ere life is flaw, stumbling blocks are stepping stones.'

As Ollie has departed from us, he has left for those to follow, stepping stones."

Senator Perdue:

"Thank you. To the members of Ollie's family and to Senator Rauch and to all of my fellow Senators who remember and loved Ollie so much, I have to join in the words of friendship and fondness with which I remember him.

"I came to this Body, to the House early in, I guess, the mid eighties, and Ollie and I had the pleasure, as did many of the Legislators at that time, of staying at the Brownstone. There were several women in the House and Ollie had been here a long time and I'd been to Raleigh for about a month and Ollie met me one afternoon. He said, 'Bev, I need to sit down and talk with you.' He got me in the lobby of the restaurant at the Brownstone and it was late one afternoon, and Ollie was known to enjoy a hospitality hour or two upstairs so he didn't want to spend a whole lot of time working with me and telling me what to do. But he said, 'Now Bev, there have been a lot of women who've come to this Body and I have found that sometimes they listen to each other, but I've checked you out down in eastern North Carolina and I know your District's mighty conservative. And I looked at Ollie and I thought, my gosh he's going to give me an undertaker card or something. Rather than that, Ollie said, 'Now there're a lot of those women who live right here who'd like for you to be like them.' And he said, 'They were involved in mess we had down here called the ERA, and I don't want you to go near them. Now anytime you have a question that you need to toss off of somebody about how you should vote or how you shouldn't vote, you call Big Ollie.' And after that I called Big Ollie. We sat on the Human Resources Committee together for four years and I grew to love '*that gentle bear*' as I called him. He was strong and abrupt and courageous when he had to be, but he had the heart of a lamb. He cared about children, he cared about people, and he cared about North Carolina. And we in this Chamber and in this State are all so much better off for having had the opportunity to walk with Ollie Harris."

Senator Cochrane:

"I came to Raleigh in 1981 and one of the people that I met early on was Ollie Harris. Interestingly enough, as all of you all know, we didn't exactly come from the same party. And I was in the House and he was in the Senate. But the issue of ERA was up for a vote at that time. I had a note slipped to me on the floor of the House one day that said to meet him in the back of the Chapel. Come to find out, Ollie didn't want anybody to see the two of us talking, and that's why we were in the back of the Chapel. When I came to the Senate and Ollie was here, I had the good fortune to serve on the Committee that he chaired, Human Resources, and come to find out, he had asked to have me on there, his feeling being, if you have to have a Republican, you know she's all right. The thing that I admired about Ollie the entire time he was here and was Chair of that Committee that I served on, I knew that when a bill came up for consideration in the Committee, it had pretty well been taken care of, and we weren't gonna get in trouble if we voted for it. And I admired the Chairman that had done his work with his staff, with the Sponsors of the bill to get things in shape in the fashion that he did. We had conservatism in common, regardless of party. And I sometimes thought it might be a better thing if our labels this

day and time were Liberal and Conservative as opposed to what they are, because we have both of those in both parties.

"I talked to Ollie on the day that he died. I had called that morning and, to him there in the hospital. We had a very good conversation, and he sounded in such good spirits, and in less than two hours later, I think it was Janet Pruitt who came to my office to tell me what had happened. I truly was in shock because he sounded like he was making so much progress, and he talked about this one little problem he had that they were gonna be coming in within the hour to take care of.

"We could all wish that when we leave this Body, both the Body in which we have served and the community of citizens that we have served, will revere us and the job that we did on their behalf the same way that Ollie Harris is. It is a goal all of us could set before us to remember the people first. I'm sorry he is not in our midst, but I must tell you, he is often in our thoughts."

Senator Horton:

"I served in the 1971 term with Senator Harris. I think only Senator Soles is a survivor of that long past era. Senator Lee was very right in referring to him as a tough man, but there was also another aspect. You remember the old advertisement, 'tough, but oh so gentle.' That was Ollie Harris. He was a gentleman in every sense of the word. A lover of this State, a lover of his District, a hard fighter, a great Legislator. He left his mark in North Carolina, and we're all the better for his being here."

Senator Soles:

"Mr. President, Ladies and Gentlemen of the Senate, I came to the General Assembly in 1969. Senator Harris came in 1971 and for 20 years, we served here together. He is one of the people that just stands out so much in my mind when I think about what's gone on over these 20 years. Ollie was Ollie the day he got here, and he was Ollie the day he left, and there hadn't been a great deal of change. He was a gentle giant, as you've often heard, and he and Senator Rauch made up what I always referred to as the 'Odd Couple'. It was strange to see those two gentlemen of such diverse backgrounds as roommates and seat-mates, and they truly loved each other. Marshall Rauch sat right there in number 1 most of the time, and Ollie sat at number 2. And you talk about Ollie's Highway, and we had Ollie's motion. That was a motion to lay upon the table. And when somebody got up, if they were talking when they shouldn't be talking or some bill that ought not to be here or something, you could hear people, kind of under their breath saying, 'Ollie, Ollie', and he'd look around and you'd see that big grin coming up and he'd stand up, and you knew exactly what was coming then, and his motion was 'Mr. President, I move that this bill do lie upon the table', and about 99% of the time it did. It was a good way to stop the fuss and the nuisances that go on here sometime, and we have lots of that. Sometimes we think we're important, but Ollie never thought he was important. He never talked about that bronze star that he won at the war. He often talked about the tragedies that he'd seen there, but he never talked about the bronze star that he won. He talked about highway safety, and he would compare the tragedy he saw on the highway to the tragedies he saw in the war. He would talk about being a Coroner, and he was proud of having been the Coroner all those number of years, but he would compare the tragedies he saw in life, highway safety and other things to the things that he saw as Coroner and he set a good example for us and we're all better, the State of North Carolina is better for having had Ollie Harris in the Senate."

Senator Plyler:

"Thank you Mr. President, Members of the Senate, members of the family, and Senator Rauch. It was a pleasure knowing Ollie Harris. I've known him for many, many years. As Senator Soles has said, he sat right there, and then he sat right there where Senator Ballance is sitting in his last term. Senator Harris was a gentleman, a true gentleman that you could depend on. Anything that he would tell you, you could depend on it and remember later on what he said and it would be the exactly the same thing he said to start with that he would say the next time. I remember we were working here one night to 3:00 and everybody was sleepy. People were on the couches outside. Senator Hartsell was laying back, I've got pictures of it, I can prove it. Senator J. K. Sherron was sitting there beside of Ollie, and various ones around, we'll share those pictures sometime. Anyway, Ollie, I was sitting over there and Ollie was sitting right here, and so Ollie motioned for me to come over, and so I went over there, and he says, 'Plyler,' said 'looks like everybody's about worn out.' I said, 'Yea, it sure does, looks like we're still awake." He said, 'Well, I tell you what, let's prepare a little paper for signatures and pass it around tonight and see who wants to run again for re-election next year.'

"But Ollie was a great gentleman and I would hope, Senator Dalton, whenever you do that highway and name it the Ollie Harris Highway, you will have a speed limit on it 85 miles per hour. Thank you and I urge you to support the resolution."

Senator Allran:

"Mr. President, Ladies and Gentlemen of the Senate, so many great things and nice things have been said about Senator Harris, I can't add too many to that. This has been said, Senator Harris and Senator Rauch sat right over there, were viewed as almost inseparable, everybody thought of them as the, as sort of the power houses of the Senate simultaneously. And it has been said, whenever Senator Harris stood up, we knew what was coming, that was the end of discussion and the end of your bill.

"But I wanted to mention two other things that I thought were really neat about this particular Senator. One of them is that he always referred to his wife as Mrs. Harris. And I know, at least I always heard him say that, and I thought that was so neat because they were married for 61 years. And so perhaps that tells you something about the way to a successful marriage.

"The other thing I wanted to mention is that when I first got to the Senate, which was in 1986, my father died right after that in 1987. And Senator Rauch and Senator Harris were both so very kind to me during all that and that is something I will always remember and appreciate. Thank you."

Senator Martin of Guilford:

"Thank you Mr. President, Members of the Body, friends and family of Ollie Harris. I just want to say a few words. When I first came here in '83, I guess Ollie and I got off to somewhat of a rocky start because one of my first bills that was introduced was one to which he applied that same motion that you've heard everyone talk about, but he went a little bit further than that, he also moved to reconsider. And then to bring it up again and kill it through the clincher I understand that that's only the...and I understand, that's only the second time in this Body that that has ever happened. The first one was with the ERA. But anyway, at that time there were a lot of folks that felt that, what are you going to do, you need to get even with him and so forth. And I stopped to think about it, and I felt no that's not what I want to do. I want to find out something about him, find out what makes him tick. I'm glad I did that because I, too, served on the Human Resources Committee, the Mental Health Study Commission, other committees with Ollie and got a chance to

observe him, got a chance to know him, and to observe the type of compassion that folks were talking about that he had for people. And even though there were numerous issues on which he and I took different positions and disagreed, as a result of some experiences that we had growing from that moment, we knew that we, when either of us said that we were going to do something, the other could count on it. And that's one thing that I really appreciated about Ollie. He was straight up and honest in what he said, you could count on it. And we developed a good relationship as a result of that. And it's a good example, I think, of the adage that 'you can never tell a book by it's cover', and also that you shouldn't make a judgment about a person because of first impressions that you might have because in the end it might be totally different. And that's what I enjoyed in the relationship with Ollie Harris and I miss and appreciate having had the opportunity to serve with him and again ask everyone to support the resolution. Thank you."

Senator Basnight:

"Thank you Mr. President, Members of the Senate, family, friends of Ollie's. I believe that maybe possibly we should reconsider the naming of the road, the Ollie Harris Highway, and include the Ollie and Marshall Highway in that they were so closely tied, cared so much about each other and the people in this State. I sit in Marshall's seat which it was at one time and Ollie's here. Course, we know how famous Ollie was with his motion. And I'll never forget the time that one particular Senator, she was a lady Senator, who wanted to be a little more active on the floor and she wanted to make that motion. And I guess some of you who are here remember the motion. She stood on her feet and Ollie really didn't care for the fact that she was making the motion that he was so famous for. But she stood and she said, 'Mr. President, I have a motion to make.' 'State your motion.' She said, 'I move that the bill, that I do lie upon the table.' And the veterans can easily remember it. And Ollie said, 'Well, that's just like a woman.' And he said that in true jest.

"He was the man that we all realize and know and understand that he had a great compassion and concern for the downtrodden of life. And he gave of all his effort to see that they were well represented in his voice and in his belief that we should do more. And most especially for those with mental disabilities of some sort or another, he wanted to see that we, that we did properly represent those people in this great State of ours and give 'em a better opportunity. He was a great, famous person, a hero of mine. We miss you Ollie."

The Joint Resolution passes its second reading (47-0) and third reading with Members standing and is ordered without objection, sent to the House of Representatives by special messenger.

The President of the Senate extends the courtesies of the gallery to the family and friends of J. Ollie Harris, including former Senator Marshall Rauch, former Senator Wanda Hunt, former Representative Jack Hunt and his wife, Ruby, and former Senator Dennis Davis.

WITHDRAWAL FROM CALENDAR

S.B. 1182, (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REPEAL THE SUNSET ON CHILD SUPPORT FEDERAL REQUIREMENTS IN ORDER TO AVOID LOSS OF FEDERAL FUNDS FOR THE 1998-99 FISCAL YEAR UNDER THE CHILD SUPPORT IV-D ENFORCEMENT PROGRAM AND UNDER

THE TEMPORARY ASSISTANCE TO NEEDY FAMILIES FEDERAL BLOCK GRANT, upon second reading.

With unanimous consent, on motion of Senator Basnight, the Committee Substitute bill is withdrawn from today's Calendar and placed on the Calendar for tomorrow, Thursday, June 4, for second reading.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Tuesday, June 2, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Robert Lee Summerlin from Dublin, North Carolina, who is serving the Senate as Doctor of the Day, and to Nancy Sumner from Dallas, North Carolina, who is serving the Senate as Nurse of the Day.

REPORT OF COMMITTEE

A bill is reported from a standing committee, read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Hoyle for the **Finance Committee**:

S.B. 1200, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE TO DEFINE PHARMACY PERSONNEL, PHARMACY TECHNICIANS, AND ALLOW THE BOARD OF PHARMACY TO REGISTER PHARMACY TECHNICIANS AND CHARGE A FEE, with a favorable report.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill for concurrence is presented to the Senate, read, and disposed of, as follows:

S.B. 1092 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE STATE SALES TAX ON FOOD, TO ELIMINATE THE STATE'S INHERITANCE TAX AND RETAIN A STATE ESTATE TAX EQUAL TO THE FEDERAL STATE DEATH TAX CREDIT, TO INCREASE AND INDEX THE INDIVIDUAL INCOME TAX PERSONAL EXEMPTION AMOUNT, TO INCREASE THE PROPERTY TAX HOMESTEAD EXEMPTION AMOUNT AND INCOME ELIGIBILITY AMOUNT AND REIMBURSE LOCAL GOVERNMENTS FOR THE RESULTING REVENUE LOSS, TO EXPAND THE STATE CORPORATE INCOME TAX DEDUCTION FOR CHARITABLE CONTRIBUTIONS, TO INCREASE THE INCOME TAX CREDIT FOR CHARITABLE CONTRIBUTIONS BY NONITEMIZERS, AND TO REPEAL THE GIFT TAX, for concurrence in the House Committee Substitute.

Referred to **Finance Committee**.

CALENDAR *(Continued)*

Bills on the Calendar carried forward as unfinished business from Tuesday, June 2, are taken up and disposed of, as follows:

S.B. 1112 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW ABSENTEE VOTING IN LAURINBURG CITY ELECTIONS CONDUCTED BY THE MUNICIPAL BOARD OF ELECTIONS, upon second reading.

The Committee Substitute bill passes its second and third readings and is ordered sent to the House of Representatives.

S.B. 1230, A BILL TO BE ENTITLED AN ACT TO EXEMPT RACING GASOLINE FROM THE PER GALLON EXCISE TAX, TO CLARIFY THE TAXATION OF KEROSENE, AND TO MAKE OTHER CHANGES IN THE MOTOR FUEL TAX LAWS, upon second reading.

With unanimous consent, on motion of Senator Kerr, the bill is withdrawn from today's Calendar and is placed on the Calendar for Thursday, June 4, for second reading.

S.B. 1229, A BILL TO BE ENTITLED AN ACT TO ABOLISH TAX WAIVERS FOR THE TRANSFER OR DELIVERANCE OF A DECEDENT'S PROPERTY, upon second reading.

With unanimous consent, on motion of Senator Kerr, the bill is withdrawn from today's Calendar and is placed on the Calendar for Thursday, June 4, for second reading.

S.B. 1129 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE STATUTES GOVERNING THE CONSEQUENCES FOR PRINCIPALS IN SCHOOLS IDENTIFIED AS LOW-PERFORMING UNDER THE ABC'S PLAN, AND TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO DEVELOP PLANS TO ADDRESS THE NEEDS OF LOW-PERFORMING SCHOOLS, upon second reading.

With unanimous consent, on motion of Senator Winner, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Monday, June 8, for second reading.

S.B. 1114, A BILL TO BE ENTITLED AN ACT TO REENACT THE 1986 LAW PROVIDING FOR RISK-SHARING PLANS, TO AMEND THE IMMUNITY STATUTES FOR THE FAIR AND BEACH PLANS, AND TO MAKE A TECHNICAL AMENDMENT IN THE BEACH PLAN LAWS, upon second reading.

With unanimous consent, on motion of Senator Soles, the bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, June 9, for second reading.

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1269 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXTEND BY ONE YEAR THE DATE BY WHICH WELL CONTRACTORS MUST BE CERTIFIED UNDER THE NORTH CAROLINA WELL CONTRACTORS CERTIFICATION ACT AND TO EXTEND THE TIME FOR THE ADOPTION OF RULES BY THE WELL CONTRACTORS CERTIFICATION COMMISSION, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, upon second reading.

The Committee Substitute bill passes its second (44-3) and third readings and is ordered sent to the House of Representatives.

S.B. 1274, A BILL TO BE ENTITLED AN ACT TO EXTEND THE TIME FOR THE RESOLUTION OF CLAIMS TO LAND UNDER NAVIGABLE WATERS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, upon second reading.

With unanimous consent, on motion of Senator Albertson, the bill is withdrawn from today's Calendar and is placed on the Calendar for tomorrow, June 4, for second reading.

S.B. 1276, A BILL TO BE ENTITLED AN ACT TO EXTEND THE MORATORIUM ON ISSUING SHELLFISH CULTIVATION LEASES IN CORE SOUND, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE, upon second reading.

With unanimous consent, on motion of Senator Albertson, the bill is withdrawn from today's Calendar and is placed on the Calendar for tomorrow, June 4, for second reading.

S.B. 845 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DIRECT THE ENVIRONMENTAL MANAGEMENT COMMISSION AND THE DIVISION OF AIR QUALITY OF THE DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES, WITH THE ASSISTANCE AND COOPERATION OF THE DIVISION OF MOTOR VEHICLES OF THE DEPARTMENT OF TRANSPORTATION, TO STUDY THE COSTS AND BENEFITS OF EXPANDING THE EMISSIONS INSPECTION AND MAINTENANCE PROGRAM FOR MOTOR VEHICLES, TO IMPROVE COMPLIANCE WITH THE CURRENT EMISSIONS INSPECTION AND MAINTENANCE PROGRAM, AND TO DIRECT THE ENVIRONMENTAL REVIEW COMMISSION TO STUDY WHETHER THE EMISSIONS INSPECTION AND MAINTENANCE PROGRAM SHOULD BE TRANSFERRED FROM THE DIVISION OF MOTOR VEHICLES TO THE DIVISION OF AIR QUALITY, for concurrence in the House Committee Substitute bill which changes the title upon concurrence to read **S.B. 845** (House Committee Substitute) A BILL TO BE ENTITLED AN ACT TO PERMIT THE STATE TO PROVIDE SCHOOL AND ACTIVITY BUSES FOR THE TRANSPORTATION NEEDS OF THE SPECIAL OLYMPICS.

The Senate concurs in the House Committee Substitute bill (47-0).

On motion of Senator Basnight, seconded by Senator Shaw of Cumberland, the Senate adjourns at 2:59 P.M. to meet tomorrow, Thursday, June 4, at 12:30 P.M.

ONE HUNDRED THIRTY-NINTH DAY

Senate Chamber
Thursday, June 4, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows

"Dear God, in the tasks before us today, may we not aim too low and thereby fail to measure up to our capabilities. May we also not aim too high and stumble around in incompetence.

"Make our goals today the highest development of the gifts You have given so generously to each of us. Help us to design and utilize these gifts so that others in need will benefit.

"We press on toward the goal of Your high calling, Oh God. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Garwood, Senator Hartsell, Senator Lucas, Senator Rucho, Senator Soles, and Senator Winner.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Wednesday, June 3, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Charles Hayes Mann from Cary, North Carolina, who is serving the Senate as Doctor of the Day, and to Theresa Lawler from Greenville, North Carolina, who is serving the Senate as Nurse of the Day.

BILL ORDERED ENROLLED

S.B. 845 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PERMIT THE STATE TO PROVIDE SCHOOL AND ACTIVITY BUSES FOR THE TRANSPORTATION NEEDS OF THE SPECIAL OLYMPICS.

The Senate having concurred in the House Committee Substitute bill on Wednesday, June 3, the President of the Senate orders the bill enrolled and sent to the Governor.

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Perdue for the **Appropriations Committee**:

S.B. 1193 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE AN EMERGENCY APPROPRIATION, ON THE REQUEST OF THE GOVERNOR, TO

COVER THE COSTS OF THE YEAR 2000 CONVERSION IN ALL STATE DEPARTMENTS AND AGENCIES, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 3618 is adopted and engrossed.

With unanimous consent, on motion of Senator Plyler, the Committee Substitute bill is placed on today's Calendar for second reading.

By Senator Kerr for the **Finance Committee**:

S.B. 1222, A BILL TO BE ENTITLED AN ACT TO ANNEX THE MECK NECK AREA OF MECKLENBURG COUNTY TO IREDELL COUNTY, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 1990, which changes the title to read **S.B. 1222** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO TRANSFER THE AREA OF MECKLENBURG COUNTY KNOWN AS MECK NECK TO IREDELL COUNTY, is adopted and engrossed.

S.B. 1239, A BILL TO BE ENTITLED AN ACT TO REMOVE THE SUNSET FROM THE QUALIFIED BUSINESS TAX CREDIT AND TO INCREASE THE CAP FROM SIX MILLION DOLLARS TO TWELVE MILLION DOLLARS, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 1992, which changes the title to read **S.B. 1239** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REMOVE THE SUNSET FROM THE QUALIFIED BUSINESS TAX CREDIT AND TO INCREASE THE CAP FROM SIX MILLION DOLLARS TO NINE MILLION DOLLARS, is adopted and engrossed.

S.B. 1241, A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, AND TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 8838 is adopted and engrossed.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.B. 72 House of Representatives
June 4, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House fails to concur in the Senate Committee Substitute for HB 72, AN ACT TO INCORPORATE THE TOWN OF OAK RIDGE, SUBJECT TO A REFERENDUM, and

requests conferees. The Speaker has appointed:

Representative Decker,
Representative Bowie,
Representative Esposito, and
Representative Crawford

on the part of the House to confer with a like committee appointed by the Senate to the end that the differences arising may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1261, A BILL TO BE ENTITLED AN ACT TO ADD PASQUOTANK COUNTY TO THOSE COUNTIES IN WHICH IT IS UNLAWFUL TO REMOVE OR DESTROY ELECTRONIC COLLARS ON DOGS.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1328, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT A FRANCHISED NATURAL GAS DISTRIBUTION COMPANY THAT IS NOT PROVIDING SERVICE TO AT LEAST SOME PORTION OF CAMDEN, CURRITUCK, DARE, OR TYRRELL COUNTIES BY JULY 1,1998, SHALL LOSE ITS EXCLUSIVE FRANCHISE RIGHTS TO THE COUNTY NOT BEING SERVED.

Referred to **Commerce Committee**.

H.B. 1336, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR ANNUAL AUDITS OF THE LAKE WACCAMAW LOCAL ABC SYSTEM.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1368, A BILL TO BE ENTITLED AN ACT TO PROVIDE COMMUNITY COLLEGES WITH ADDITIONAL PURCHASING FLEXIBILITY.

Referred to **Education/Higher Education Committee**.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A special message is received from the House of Representatives transmitting a joint resolution which is read the first time and disposed of, as follows:

H.J.R. 1754, A JOINT RESOLUTION INVITING THE REPUBLICAN NATIONAL COMMITTEE TO HOST ITS NEXT PRESIDENTIAL NOMINATING CONVENTION IN CHARLOTTE.

On motion of Senator Odom, the rules are suspended, without objection, and the Joint Resolution is placed before the Senate for immediate consideration.

The Joint Resolution passes its second (44-0) and third readings and is ordered enrolled.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1126 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE TEACHER COMPETENCY TESTING PROVISIONS OF THE EXCELLENT SCHOOLS ACT, TO PROVIDE FOR ANNUAL EVALUATIONS OF CERTIFIED PUBLIC SCHOOL EMPLOYEES IN ALL LOW-PERFORMING SCHOOLS, AND TO CREATE ASSESSMENT TEAMS, for concurrence in the House Committee Substitute bill.

On motion of Senator Lee, the rules are suspended, without objection, and the House Committee Substitute bill is placed before the Senate for immediate consideration.

The Senate concurs in the House Committee Substitute bill (42-1) and the measure is ordered enrolled and sent to the Governor.

ENROLLED BILLS

The Enrolling Clerk reports the following bill and resolutions duly ratified, properly enrolled and presented to the Office of the Secretary of State:

S.B. 1420, AN ACT TO PERMIT THE SHORT-TERM USE OF MOBILE STRUCTURES WHEN NONRESIDENTIAL STRUCTURES ARE DAMAGED BY FIRE OR ACTS OF GOD.

S.J.R. 1224, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF J. OLLIE HARRIS, FORMER MEMBER OF THE GENERAL ASSEMBLY. (Res. 35)

H.J.R. 1754, A JOINT RESOLUTION INVITING THE REPUBLICAN NATIONAL COMMITTEE TO HOST ITS NEXT PRESIDENTIAL NOMINATING CONVENTION IN CHARLOTTE. (Res. 36)

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1193, A BILL TO BE ENTITLED AN ACT TO MAKE AN EMERGENCY APPROPRIATION, ON THE REQUEST OF THE GOVERNOR, TO COVER THE COSTS OF THE YEAR 2000 CONVERSION IN ALL STATE DEPARTMENTS AND AGENCIES, placed earlier on today's Calendar.

The Committee Substitute bill passes its second (41-2) and third readings and is ordered, without objection, sent to the House of Representatives by special messenger.

S.B. 1230, A BILL TO BE ENTITLED AN ACT TO EXEMPT RACING GASOLINE FROM THE PER GALLON EXCISE TAX, TO CLARIFY THE TAXATION OF KEROSENE, AND TO MAKE OTHER CHANGES IN THE MOTOR FUEL TAX LAWS, upon second reading.

The bill passes its second reading by roll-call vote, ayes 43, noes 1, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Gulley, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford, Warren, Weinstein, and Wellons—43.

Voting in the negative: Senator Webster—1.

The bill is ordered placed on the Calendar for Monday, June 8, for third reading.

S.B. 1200, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE TO DEFINE PHARMACY PERSONNEL, PHARMACY TECHNICIANS, AND ALLOW THE BOARD OF PHARMACY TO REGISTER PHARMACY TECHNICIANS AND CHARGE A FEE, upon second reading.

With unanimous consent, on motion of Senator Kerr, the bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, June 9, for second reading.

S.B. 1182 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REPEAL THE SUNSET ON CHILD SUPPORT FEDERAL REQUIREMENTS IN ORDER TO AVOID LOSS OF FEDERAL FUNDS FOR THE 1998-99 FISCAL YEAR UNDER THE CHILD SUPPORT IV-D ENFORCEMENT PROGRAM AND UNDER THE TEMPORARY ASSISTANCE TO NEEDY FAMILIES FEDERAL BLOCK GRANT, upon second reading.

The Committee Substitute bill passes its second (37-7) and third readings and is ordered sent to the House of Representatives.

S.B. 1229, A BILL TO BE ENTITLED AN ACT TO ABOLISH TAX WAIVERS FOR THE TRANSFER OR DELIVERANCE OF A DECEDENT'S PROPERTY, upon second reading.

The bill passes its second (44-0) and third readings and is ordered sent to the House of Representatives.

S.B. 1274, A BILL TO BE ENTITLED AN ACT TO EXTEND THE TIME FOR THE RESOLUTION OF CLAIMS TO LAND UNDER NAVIGABLE WATERS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, upon second reading.

The bill passes its second (44-0) and third readings and is ordered sent to the House of Representatives.

S.B. 1276, A BILL TO BE ENTITLED AN ACT TO EXTEND THE MORATORIUM ON ISSUING SHELLFISH CULTIVATION LEASES IN CORE SOUND, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE, upon second reading.

The bill passes its second reading (42-2).

Senator Ballantine objects to third reading of the measure. Pursuant to Rule 50, the President orders the measure placed on the Calendar for Monday, June 8, for third reading.

COMMITTEE REFERRAL RECALL

S.B. 1551, A BILL TO BE ENTITLED AN ACT TO GIVE CHARTER SCHOOLS THE SAME HIGHWAY USE TAX EXEMPTION AND MOTOR FUEL TAX EXEMPTION AS PUBLIC SCHOOLS, TO ALLOW CHARTER SCHOOLS TO ELECT TO PARTICIPATE IN THE NORTH CAROLINA TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, IN THE NORTH CAROLINA TEACHERS' AND STATE EMPLOYEES' MAJOR MEDICAL COMPREHENSIVE PLAN, OR BOTH, AND TO ESTABLISH A MEDIATION PROCESS BETWEEN CHARTER SCHOOLS AND LOCAL BOARDS OF EDUCATION, referred to the **Finance Committee** on June 1.

Pursuant to Rule 47(a), Senator Hoyle offers a motion that the bill be withdrawn from the **Finance Committee** and re-referred to the **Education/Higher Education Committee**, and upon a favorable report, re-referred to the **Finance Committee,** which motion prevails, with unanimous consent.

The Chair orders the bill recalled from the **Finance Committee** and refers the measure to the **Education/Higher Education Committee**, and upon a favorable report, re-refers the measure to the **Finance Committee**

S.B. 494, A BILL TO BE ENTITLED AN ACT TO INCLUDE PUBLIC DEFENDERS AND THE APPELLATE DEFENDER AS MEMBERS OF THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, referred to the **Appropriations Committee** on March 25, 1997.

Pursuant to Rule 47(a), Senator Plyler offers a motion that the bill be withdrawn from the **Appropriations Committee**, and re-referred to the **Pensions & Retirement and Insurance Committee**, which motion prevails with unanimous consent.

The Chair orders the bill recalled from the **Appropriations Committee** and refers the measure to the **Pensions & Retirement and Insurance Committee**.

On motion of Senator Basnight, seconded by Senator Page, the Senate adjourns at 1:50 P.M. to meet Monday, June 8, at 7:00 P.M.

ONE HUNDRED FORTIETH DAY

Senate Chamber
Monday, June 8, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, as controversial and offensive as the movie *Bulworth* might be, already critiqued by our own Senator McDaniel and a colleague from the House, there is one subliminal theme possibly overlooked that instructs us all.

"Appearing like a manifestation of God in human form among the chaos of the movie, the old weathered homeless person reminded the Senator and reminds all of us with his line, 'You gotta have spirit, you can't be no ghost!'

"Ghosts live haunted lives, Your Spirit enlivens us. We are called to be different, to be the living manifestations of Your Spirit in this world.

"Help us this week to be alive with Your Spirit, Oh God. We have to be spirit, we can't be ghosts. Amen."

With unanimous consent, the President grants a leave of absence for tonight to Senator Hoyle.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, June 4, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Stuart Jeffrey Levin from Raleigh, North Carolina, who is serving the Senate as Doctor of the Day, and to Brenda Cleary from Cary, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills are duly ratified for presentation to the Governor:

S.B. 845, AN ACT TO PERMIT THE STATE TO PROVIDE SCHOOL AND ACTIVITY BUSES FOR THE TRANSPORTATION NEEDS OF THE SPECIAL OLYMPICS.

S.B. 1126, AN ACT TO AMEND THE TEACHER COMPETENCY TESTING PROVISIONS OF THE EXCELLENT SCHOOLS ACT, TO PROVIDE FOR ANNUAL EVALUATIONS OF CERTIFIED PUBLIC SCHOOL EMPLOYEES IN ALL LOW-PERFORMING SCHOOLS, AND TO CREATE ASSESSMENT TEAMS.

CHAPTERED BILL

The Enrolling Clerk reports the following bill properly enrolled, assigned the following Chapter Number, and presented to the Office of the Secretary of State:

S.B. 1420, AN ACT TO PERMIT THE SHORT-TERM USE OF MOBILE STRUCTURES WHEN NONRESIDENTIAL STRUCTURES ARE DAMAGED BY FIRE OR ACTS OF GOD. (Became law upon ratification, June 4, 1998 - S.L. 1998-4.)

REPORT OF COMMITTEE

Bills are reported from a standing committee, read by their titles, together with the report accompanying them, and take their place on the Calendar, as follows:

By Senator Winner for the **Education/Higher Education Committee**:

S.B. 1150, A BILL TO BE ENTITLED AN ACT TO MAKE PERMANENT THE

REQUIREMENT THAT COUNTIES USE PART OF THE TWO HALF-CENT LOCAL SALES TAX PROCEEDS ONLY FOR PUBLIC SCHOOL CAPITAL OUTLAY PURPOSES, with a favorable report.

On motion of Senator Winner, the bill is re-referred to the **Finance Committee**.

S.B. 1139, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO MAKE TECHNICAL, CONFORMING, AND CLARIFYING CHANGES TO G.S. 115C-325, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 1993 is adopted and engrossed.

With unanimous consent, on motion of Senator Winner, the Committee Substitute bill is placed on the Calendar for Wednesday, June 10, upon second reading.

CALENDAR

Bills on tonight's Calendar are taken up and disposed of, as follows:

S.B. 1230, A BILL TO BE ENTITLED AN ACT TO EXEMPT RACING GASOLINE FROM THE PER GALLON EXCISE TAX, TO CLARIFY THE TAXATION OF KEROSENE, AND TO MAKE OTHER CHANGES IN THE MOTOR FUEL TAX LAWS, upon third reading.

With unanimous consent, on motion of Senator Kerr, the bill is withdrawn from tonight's Calendar and is placed on the Calendar for Wednesday, June 10, upon third reading.

S.B. 1241 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, AND TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, upon second reading.

With unanimous consent, on motion of Senator Kerr, the Committee Substitute bill is withdrawn from tonight's Calendar and is placed on the Calendar for Wednesday, June 10, upon second reading.

S.B. 1239 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REMOVE THE SUNSET FROM THE QUALIFIED BUSINESS TAX CREDIT AND TO INCREASE THE CAP FROM SIX MILLION DOLLARS TO NINE MILLION DOLLARS, upon second reading.

With unanimous consent, on motion of Senator Kerr, the Committee Substitute bill is withdrawn from tonight's Calendar and is placed on the Calendar for Wednesday, June 10, upon second reading.

S.B. 1222 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO TRANSFER THE AREA OF MECKLENBURG COUNTY KNOWN AS MECK NECK TO IREDELL COUNTY, upon second reading.

The Committee Substitute bill passes its second reading by roll-call vote, ayes 46, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx,

Garwood, Gulley, Hartsell, Horton, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—46.

Voting in the negative: None.

The Committee Substitute bill is ordered placed on the Calendar for tomorrow, Tuesday, June 9, upon third reading.

S.B. 1129 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE STATUTES GOVERNING THE CONSEQUENCES FOR PRINCIPALS IN SCHOOLS IDENTIFIED AS LOW-PERFORMING UNDER THE ABC'S PLAN, AND TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO DEVELOP PLANS TO ADDRESS THE NEEDS OF LOW-PERFORMING SCHOOLS, upon second reading.

Senator Winner offers Amendment No. 1 which is adopted (46-0).

The Committee Substitute bill, as amended, passes its second (45-1) and third readings and is ordered engrossed and sent to the House of Representatives.

S.B. 1276, A BILL TO BE ENTITLED AN ACT TO EXTEND THE MORATORIUM ON ISSUING SHELLFISH CULTIVATION LEASES IN CORE SOUND, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE, upon third reading.

The bill passes its third reading (45-1) and is ordered sent to the House of Representatives.

The President recognizes the following pages serving in the Senate this week:

Lindsay Carol Adcox, Fayetteville; Meagan E. Ashby, Warsaw; Jessica Marcie Carpenter, Lenoir; Kevin Cochran, Raleigh; Andrew Payne Copenhaver, Winston-Salem; Ana Bright Highsmith Dickson, Fayetteville; Terri Sue Giles, Linden; Juxon Hodges, Winston Salem; Edward Winslow Irons, Charlotte; Wesley Harris Johnson, Mocksville; Megan Lane Jones, Columbia; Charles E. Jones, Jr., Durham; Loren Ariel Loder, Raleigh; Kathryn A. Matzen, Raleigh; Brooke Elizabeth McLaurin, Fayetteville; April Melody Merritt, Clinton; Jessica Moore, Wake Forest; Brandon A. Robinson, Mocksville; Stevi Danielle Rutledge, Mt. Holly; Mary Kathryn Swope, Greenville; Julie Tedder, Holly Springs; Catherine Leigh West, Knightdale; and Terri Suzanne Womble, Raleigh.

COMMITTEE REFERRAL RECALL

S.B. 1300, A BILL TO BE ENTITLED AN ACT TO SET THE INSURANCE REGULATORY CHARGE FOR CALENDAR YEAR 1998, TO AMEND PROVISIONS IN THE INSURANCE LAWS DEALING WITH EXAMINATIONS OF INSURANCE COMPANIES AND AUDITS OF THEIR FINANCIAL STATEMENTS, AND TO CLARIFY THE LAW ON INSURERS' FUNDING AGREEMENT RESERVES, referred to the **Commerce Committee** on May 27.

Pursuant to Rule 47(a), Senator Soles offers a motion that the bill be withdrawn from the **Commerce Committee** and re-referred to the **Finance Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Commerce Committee** and refers the measure to the **Finance Committee**.

On motion of Senator Basnight, seconded by Senator Allran, the Senate adjourns at 7:25 P.M. to meet tomorrow, Tuesday, June 9, at 2:00 P.M.

ONE HUNDRED FORTY-FIRST DAY

Senate Chamber
Tuesday, June 9, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Eternal God, forgive us for approaching You with such timidity when we need real answers to very tough problems. Too often we come to You already defeated, heads down, expecting no reply or a negative one.

"Remind us of Abraham, who not only came boldly into Your presence, but even bartered with You for the well-being of righteous people!

"Let us then be brave as we approach You today regarding matters of the Senate. There we will receive mercy and find grace and answers to our questions. We need Your help today. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Dalton, Senator Hoyle, and Senator Jordan.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Monday, June 8, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Herbert Marvin Baker from Eden, North Carolina, who is serving the Senate as Doctor of the Day, and to Eric Johnson from Greenville, North Carolina, who is serving the Senate as Nurse of the Day.

Upon motion of Senator Kinnaird of Orange County, the President of the Senate extends the courtesies of the gallery to Ms. Marian Hammond, former Mayor of Bath, England, presently serving as a County Representative for Bath and North East Somerset Counties.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1251 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE STAGGERED TERMS FOR THE BOARD OF COMMISSIONERS OF THE TOWN OF LITTLETON AND TO PROVIDE A FOUR-YEAR TERM FOR THE MAYOR.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1254, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE COUNTY OF TRANSYLVANIA MAY USE CERTAIN LANDS FOR LIBRARY PURPOSES.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1338, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE JACKSON COUNTY TO REGULATE THE OPERATION OF PERSONAL WATERCRAFT.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1505, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE USE OF FUNDS APPROPRIATED FOR THE NORTH CAROLINA INDIAN CULTURAL CENTER AND TO ADD A SEAT ON THE BOARD OF THE NORTH CAROLINA INDIAN CULTURAL CENTER FOR A REPRESENTATIVE OF THE INDIANS OF PERSON COUNTY.

Referred to **State Government, Local Government, and Personnel Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

H.B. 1508, A BILL TO BE ENTITLED AN ACT TO PERMIT THE CITY OF GREENVILLE TO HOLD POST-TOWING HEARINGS FOR ABANDONED OR JUNKED VEHICLES REMOVED FROM PRIVATE PROPERTY WITHOUT THE OWNERS REQUEST.

Referred to **State Government, Local Government, and Personnel Committee.**

EXECUTIVE ORDER

An Executive Order received in the Office of the Senate Principal Clerk is presented to the Senate and read as follows:

Executive Order No. 136, Governor's Advisory Council on Hispanic/Latino Affairs.

REPORT OF COMMITTEE

Bills are reported from a standing committee, read by their titles, together with the report accompanying them, and take their place on the Calendar, as follows:

By Senator Albertson for the **Agriculture/Environment/Natural Resources Committee**:

S.B. 1294, A BILL TO BE ENTITLED AN ACT TO EXTEND THE STUDY OF THE ORGANIZATIONAL STRUCTURE AND ADMINISTRATIVE PLACEMENT OF THE PROGRAMS IN THE DIVISION OF ENVIRONMENTAL HEALTH OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND TO EXPAND THE SCOPE OF THE STUDY TO INCLUDE THE ORGANIZATION, FUNCTIONS, POWERS, AND DUTIES OF THE VARIOUS BOARDS,

COMMISSIONS, AND COUNCILS HAVING JURISDICTION OVER ENVIRONMENTAL, PUBLIC HEALTH, AND NATURAL RESOURCES PROGRAMS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, with a favorable report.

S.B. 1313, A BILL TO BE ENTITLED AN ACT TO STRENGTHEN THE SEDIMENTATION POLLUTION CONTROL ACT OF 1973, AS RECOMMENDED BY THE SEDIMENTATION CONTROL COMMISSION AND THE ENVIRONMENTAL REVIEW COMMISSION, with a favorable report.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1222, A BILL TO BE ENTITLED AN ACT TO TRANSFER THE AREA OF MECKLENBURG COUNTY KNOWN AS MECK NECK TO IREDELL COUNTY, upon third reading.

The Committee Substitute bill passes its third reading by roll-call vote, ayes 47, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Jenkins, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—47.

Voting in the negative: None.

The Committee Substitute bill is ordered sent to the House of Representatives.

S.B. 1114, A BILL TO BE ENTITLED AN ACT TO REENACT THE 1986 LAW PROVIDING FOR RISK-SHARING PLANS, TO AMEND THE IMMUNITY STATUTES FOR THE FAIR AND BEACH PLANS, AND TO MAKE A TECHNICAL AMENDMENT IN THE BEACH PLAN LAWS, upon second reading.

Senator Rand offers Amendment No. 1 which is adopted (47-0).

The bill, as amended, passes its second reading (39-8).

Senator Cochrane objects to third reading of the measure. Pursuant to Rule 50, the President orders the measure placed on the Calendar for tomorrow, Wednesday, June 10, upon third reading.

S.B. 1200, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE TO DEFINE PHARMACY PERSONNEL, PHARMACY TECHNICIANS, AND ALLOW THE BOARD OF PHARMACY TO REGISTER PHARMACY TECHNICIANS AND CHARGE A FEE, upon second reading.

The bill passes its second reading (38-9).

Senator Kerr objects to third reading of the measure. Pursuant to Rule 50, the President orders the measure placed on the Calendar for tomorrow, Wednesday, June 10, upon third reading.

CONFERENCE REPORT

H.B. 989 (Senate Committee Substitute)

Senator Garwood, for the Conferees appointed to consider the differences arising between the Senate and House of Representatives upon **H.B. 989** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REMOVE THE FEE FOR THE SCHOOL ADMINISTRATORS' EXAM, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on House Bill 989, A BILL TO BE ENTITLED AN ACT TO REMOVE THE FEE FOR THE SCHOOL ADMINISTRATORS' EXAM, Senate Finance Committee Substitute Adopted 6/19/97, submit the following report:

The House and Senate agree to the following amendment to the Senate Committee Substitute, Senate Finance Committee Substitute Adopted 6/19/97, and the House concurs in the Senate Committee Substitute as amended:

on page 2, lines 28-29, rewrite those lines to read:
"Section 3. This act is effective on and after January 1, 1998.".

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: June 8, 1998.

S/Walter Dalton	S/Gene Arnold
S/Leslie Winner	S/Jean Preston
S/John Garwood	S/R. Eugene Rogers
Conferees for the Senate	*Conferees for the House of Representatives*

The Conference Report is ordered placed on the Calendar for tomorrow, Wednesday, June 10, for adoption.

COMMITTEE REFERRAL RECALL

S.B. 1235, A BILL TO BE ENTITLED AN ACT RELATING TO WAKE COUNTY, referred to the **Rules and Operations of the Senate Committee** on May 21.

Pursuant to Rule 47(a), Senator Rand offers a motion that the bill be withdrawn from the **Rules and Operations of the Senate Committee** and re-referred to the **Appropriations Committee,** which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Rules and Operations of the Senate Committee** and refers the measure to the **Appropriations Committee**.

On motion of Senator Basnight, seconded by Senator Dannelly, the Senate adjourns at 2:46 P.M. to meet tomorrow, Wednesday, June 10, at 2:00 P.M.

ONE HUNDRED FORTY-SECOND DAY

Senate Chamber
Wednesday, June 10, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, we confess that on some days we feel a lot like the two uneducated men who got turned around in unfamiliar territory while hunting. They came to a place where there was a fork in the road and three or four signs pointing this way and that. 'Friend, we've got us a problem,' one said to the other. 'I can read figures but not writing. I know how far it is, but I don't know where we're going.'

"On the days we know we have a long way to travel but don't know our destination, help us to take one step at a time with Your Word being a lamp unto our feet and a light to our pathway. Sometimes going is more important than knowing where. Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Odom.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Tuesday, June 9, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. John Thomas Meredith from Greenville, North Carolina, who is serving the Senate as Doctor of the Day, and to Pat Humphrey-Kloes, from Raleigh, North Carolina, who is serving the Senate as Nurse of the Day.

CHAPTERED BILL

The Enrolling Clerk reports the following bill properly enrolled, assigned the following Chapter Number, and presented to the Office of the Secretary of State:

S.B. 1126, AN ACT TO AMEND THE TEACHER COMPETENCY TESTING PROVISIONS OF THE EXCELLENT SCHOOLS ACT, TO PROVIDE FOR ANNUAL EVALUATIONS OF CERTIFIED PUBLIC SCHOOL EMPLOYEES IN ALL LOW-PERFORMING SCHOOLS, AND TO CREATE ASSESSMENT TEAMS. (Became law upon approval of the Governor, June 9, 1998 - S.L. 1998-5.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the

reports accompanying them, and take their place on the Calendar, as follows:

By Senator Miller for the **State Government, Local Government and Personnel Committee**:

H.B. 1261, A BILL TO BE ENTITLED AN ACT TO ADD PASQUOTANK COUNTY TO THOSE COUNTIES IN WHICH IT IS UNLAWFUL TO REMOVE OR DESTROY ELECTRONIC COLLARS ON DOGS, with a favorable report.

S.B. 1248, A BILL TO BE ENTITLED AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE TOWN OF CARTHAGE, with a favorable report.

S.B. 1333, A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF LANDIS, with a favorable report.

Pursuant to Rule 43, the bill is re-referred to the **Finance Committee**.

S.B. 1360, A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW, with a favorable report.

S.B. 1417, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF WALLACE TO CONVEY CERTAIN PROPERTY AT A PRIVATE SALE, with a favorable report.

S.B. 1442, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE UNION COUNTY TO SELL LAND THAT IS CURRENTLY USED FOR COMMUNITY COLLEGE PURPOSES AND USE THE PROCEEDS FOR COMMUNITY COLLEGE CAPITAL EXPENDITURES, with a favorable report.

S.B. 1466, A BILL TO BE ENTITLED AN ACT TO ALLOW THE EASTERN BAND OF CHEROKEE INDIANS TO PERFORM BUILDING INSPECTIONS ON TRIBAL LANDS, with a favorable report.

S.B. 1518, A BILL TO BE ENTITLED AN ACT RELATING TO THE DEFINITION OF SUBDIVISION FOR THE PURPOSE OF SUBDIVISION REGULATION IN STANLY COUNTY, with a favorable report.

S.B. 1166, A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FARMVILLE, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 1997, which changes the title to read **S.B. 1166** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FARMVILLE AND TO EXTEND THE TERMS OF THE MAYOR AND BOARD OF COMMISSIONERS OF THE TOWN OF LEGGETT FROM TWO TO FOUR YEARS, is adopted and engrossed.

Pursuant to Rule 43, the Committee Substitute bill is re-referred to the **Finance Committee**.

By Senator Hoyle for the **Finance Committee**:

S.B. 1227, A BILL TO BE ENTITLED AN ACT TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE USED IN DEFINING AND DETERMINING CERTAIN STATE TAX PROVISIONS AND TO CONFORM TO FEDERAL GIFT TAX TREATMENT OF CONTRIBUTIONS TO QUALIFIED TUITION PROGRAMS, with a favorable report.

S.B. 1327, A BILL TO BE ENTITLED AN ACT TO PRESERVE THE TAX-EXEMPT STATUS FOR PIPED NATURAL GAS SOLD BY MUNICIPALITIES, TO MAKE THE TAXES ON OTHER SALES OF PIPED NATURAL GAS MORE UNIFORM, AND TO LIMIT THE SERVICE AREA A MUNICIPALITY MAY SERVE WITH PIPED NATURAL GAS, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 3622, which changes the title to read **S.B. 1327** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PRESERVE THE TAX-EXEMPT STATUS FOR PIPED NATURAL GAS SOLD BY MUNICIPALITIES AND TO MAKE THE TAXES ON OTHER SALES OF PIPED NATURAL GAS MORE UNIFORM, is adopted and engrossed.

The President of the Senate extends the privileges of the floor to former Senator J. K. Sherron from Wake County.

Upon motion of Senator Dalton, the President of the Senate extends the courtesies of the gallery to Mrs. Lucille Dalton, wife of Senator Dalton, and to Richard Hooker, a member of the Board of Education for Shelby City Schools.

Upon motion of Senator Basnight, the President of the Senate extends the courtesies of the gallery to two members of the Parliament staff of Bosnia and Herzegovina, Mr. Boro Blagojevic, the current Executive Staff Director for all eleven committees in the Parliament, and Mr. Jadranko Tomic, the current Staff Director of the Constitutional Committee for the House of Peoples.

REPORTS OF COMMITTEES *(Continued)*

By Senator Kerr for the **Finance Committee**:

S.B. 1103, A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FRANKLIN, with a favorable report.

S.B. 1203, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF CHARLOTTE TO CONTINUE TO LEVY STORM WATER FEES IF REVENUE BONDS HAVE BEEN ISSUED AND ARE OUTSTANDING, with a favorable report.

S.B. 1397, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE COUNTY OF DURHAM TO ALLOW FEES FOR STORMWATER MAINTENANCE, REPAIR, AND IMPROVEMENTS TO BE PAID OVER TIME AND BECOME A LIEN ON REAL PROPERTY, with a favorable report.

S.B. 1399, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF DURHAM TO PARTICIPATE IN THE COST OF STORM DRAINAGE IMPROVEMENTS ON PRIVATE PROPERTY AND TO ALLOW PRIVATE PARTIES TO PAY OVER TIME FOR THEIR PORTION OF THE COST OF THE IMPROVEMENTS, with a favorable report.

S.B. 1478, A BILL TO BE ENTITLED AN ACT RELATING TO INVESTMENTS OF THE COUNTY OF FORSYTH, with a favorable report.

S.B. 1479, A BILL TO BE ENTITLED AN ACT RELATING TO INVESTMENTS MADE BY THE CITY OF WINSTON-SALEM, with a favorable report.

S.B. 1289, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE REGIONAL TRANSIT AUTHORITIES TO USE INSTALLMENT PURCHASE FINANCING, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 3620, which changes the title to read **S.B. 1289** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CLAIFY THE AUTHORITY OF REGIONAL TRANSIT AUTHORITIES TO USE INSTALLMENT PURCHASE FINANCING, is adopted and engrossed.

S.B. 1312, A BILL TO BE ENTITLED AN ACT TO ALLOW CATAWBA AND LINCOLN COUNTIES TO ACQUIRE PROPERTY FOR USE BY THEIR COUNTY BOARDS OF EDUCATION, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 6840, which changes the title to read **S.B. 1312** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW CATAWBA, CUMBERLAND, DAVIDSON, DAVIE, DURHAM, HOKE, LINCOLN, ROBESON, AND WAYNE COUNTIES TO ACQUIRE PROPERTY FOR USE BY THEIR COUNTY BOARDS OF EDUCATION, is adopted and engrossed.

By Senator Shaw of Cumberland for the **Transportation Committee**:

S.B. 1453, A BILL TO BE ENTITLED AN ACT TO ENCOURAGE THE DEPARTMENT OF TRANSPORTATION TO USE ADDITIONAL FUNDS FROM THE FEDERAL HIGHWAY REAUTHORIZATION BILL OF 1998 TO EXPEDITE WIDENING OF INTERSTATE HIGHWAYS TO AT LEAST SIX LANES, with a favorable report.

By Senator Lee for the **Education/Higher Education Committee**:

S.B. 1594, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE STATE BOARD OF EDUCATION TO SET TEACHER CERTIFICATION FEES, with a favorable report.

On motion of Senator Lee, the bill is re-referred to the **Finance Committee**.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1294, A BILL TO BE ENTITLED AN ACT TO EXTEND THE STUDY OF THE ORGANIZATIONAL STRUCTURE AND ADMINISTRATIVE PLACEMENT OF THE PROGRAMS IN THE DIVISION OF ENVIRONMENTAL HEALTH OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND TO EXPAND THE SCOPE OF THE STUDY TO INCLUDE THE ORGANIZATION, FUNCTIONS, POWERS, AND DUTIES OF THE VARIOUS BOARDS, COMMISSIONS, AND COUNCILS HAVING JURISDICTION OVER ENVIRONMENTAL, PUBLIC HEALTH, AND NATURAL RESOURCES PROGRAMS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, upon second reading.

With unanimous consent, on motion of Senator Perdue, the bill is withdrawn from today's Calendar and is re-referred to the **Appropriations Committee**.

S.B. 1241 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, AND TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, upon second reading.

With unanimous consent, on motion of Senator Hoyle, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, June 16, upon second reading.

S.B. 1239 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REMOVE THE SUNSET FROM THE QUALIFIED BUSINESS TAX CREDIT AND TO INCREASE THE CAP FROM SIX MILLION DOLLARS TO NINE MILLION DOLLARS, upon second reading.

With unanimous consent, on motion of Senator Hoyle, the Committee Substitute bill is withdrawn from today's Calendar and is re-referred to the **Finance Committee**.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1260 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE NORTH CAROLINA CODE OFFICIALS QUALIFICATION BOARD TO REQUIRE CODE-ENFORCEMENT OFFICIALS TO PARTICIPATE IN PROFESSIONAL DEVELOPMENT PROGRAMS AND TO RESTORE THE AUTHORITY OF LOCAL GOVERNMENTS TO ADOPT FLOODPLAIN MANAGEMENT ORDINANCES.

Referred to **Commerce Committee** and upon a favorable report, re-referred to **Appropriations Committee**.

H.B. 1318 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO LIMIT THE NONRESIDENT WITHHOLDING REQUIREMENT TO ATHLETES AND ENTERTAINERS AND TO INCREASE THE THRESHOLD REQUIREMENT FOR NONRESIDENT WITHHOLDING.

Referred to **Finance Committee**.

H.B. 1456, A BILL TO BE ENTITLED AN ACT TO ABOLISH EXECUTION BY LETHAL GAS AND TO PROVIDE THAT A PERSON CONVICTED OF A CRIMINAL OFFENSE WHO IS SENTENCED TO DEATH SHALL BE EXECUTED BY THE ADMINISTRATION OF LETHAL DRUGS.

Referred to **Judiciary Committee**.

COMMITTEE REFERRAL RECALL

S.B. 1137, A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE VILLAGE OF WESLEY CHAPEL, referred to the **Rules and Operations of the Senate Committee** on May 18.

Pursuant to Rule 47(a), Senator Rand offers a motion that the bill be withdrawn from the **Rules and Operations of the Senate Committee** and re-referred to the **Finance Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from **Rules and Operations of the Senate Committee** and refers the measure to the **Finance Committee**.

CALENDAR *(Continued)*

S.B. 1230, A BILL TO BE ENTITLED AN ACT TO EXEMPT RACING GASOLINE FROM THE PER GALLON EXCISE TAX, TO CLARIFY THE TAXATION OF KEROSENE, AND TO MAKE OTHER CHANGES IN THE MOTOR FUEL TAX LAWS, upon third reading.

Senator Kerr offers Amendment No. 1 which is adopted (49-0).

The bill, as amended, passes its third reading by roll-call vote, ayes 34, noes 14, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Carrington, Cooper, Dalton, Foxx, Gulley, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Soles, Warren, Weinstein, Wellons, and Winner—34.

Voting in the negative: Senators Blust, Carpenter, Clark, Cochrane, East, Forrester, Garwood, Hartsell, Horton, Ledbetter, Page, Rucho, Shaw of Guilford, and Webster—14.

The bill, as amended, is ordered engrossed and sent to the House of Representatives.

S.B. 1139 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO MAKE TECHNICAL, CONFORMING, AND CLARIFYING CHANGES TO G.S. 115C-325, upon second reading.

Senator Foxx offers Amendment No. 1 which is adopted (49-0).

The Committee Substitute bill, as amended, passes its second (49-0) and third readings and is ordered engrossed and sent to the House of Representatives.

S.B. 1313, A BILL TO BE ENTITLED AN ACT TO STRENGTHEN THE SEDIMENTATION POLLUTION CONTROL ACT OF 1973, AS RECOMMENDED BY THE SEDIMENTATION CONTROL COMMISSION AND THE ENVIRONMENTAL REVIEW COMMISSION, upon second reading.

Upon motion of Senator Kinnaird, the President orders, without objection, the bill temporarily displaced.

S.B. 1114, A BILL TO BE ENTITLED AN ACT TO REENACT THE 1986 LAW PROVIDING FOR RISK-SHARING PLANS, TO AMEND THE IMMUNITY STATUTES FOR THE FAIR AND BEACH PLANS, AND TO MAKE A TECHNICAL AMENDMENT IN THE BEACH PLAN LAWS, upon third reading.

The bill passes its third reading (49-0) and is ordered engrossed and sent to the House of Representatives.

S.B. 1200, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE TO DEFINE PHARMACY PERSONNEL, PHARMACY TECHNICIANS, AND ALLOW THE BOARD OF PHARMACY TO REGISTER PHARMACY TECHNICIANS AND CHARGE A FEE, upon third reading.

The bill passes its third reading (45-3) and is ordered sent to the House of Representatives.

REPORT OF COMMITTEE

A standing committee report is submitted out of the regular order of business, bills are read by their titles, together with the report accompanying them, and take their place on the Calendar, as follows:

By Senator Lee for the **Education/Higher Education Committee**:

S.B. 1523, A BILL TO BE ENTITLED AN ACT TO LINK PAY RAISES FOR SUBSTITUTE TEACHERS TO PAY RAISES FOR TEACHERS, with a favorable report, as amended.

Pursuant to Rule 45.1, Committee Amendment No. 1 is adopted. The bill, as amended, is engrossed.

Pursuant to Rule 43, the bill, as amended, is re-referred to the **Appropriations Committee**.

S.B. 1124, A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO EMPLOY TEACHERS WHO ARE LEGALLY CERTIFICATED IN ANOTHER STATE EVEN THOUGH THEY MAY NOT BE CERTIFICATED IN NORTH CAROLINA, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 3623 is adopted and engrossed.

With unanimous consent, on motion of Senator Lee, the Committee Substitute bill is placed on the Calendar for Tuesday, June 16, upon second reading.

CALENDAR *(Continued)*

H.B. 989 (Conference Report), A BILL TO BE ENTITLED AN ACT TO REMOVE THE FEE FOR THE SCHOOL ADMINISTRATORS' EXAM, for adoption.

On motion of Senator Dalton, the Conference Report is adopted (48-0), and a message is ordered sent to the House of Representatives informing that Honorable Body of such action.

S.B. 1313, A BILL TO BE ENTITLED AN ACT TO STRENGTHEN THE SEDIMENTATION POLLUTION CONTROL ACT OF 1973, AS RECOMMENDED BY THE SEDIMENTATION CONTROL COMMISSION AND THE ENVIRONMENTAL REVIEW COMMISSION, temporarily displaced earlier, upon second reading.

The bill passes its second reading (43-6).

Senator Plyler objects to third reading of the measure. Pursuant to Rule 50, the President orders the measure placed on the Calendar for tomorrow, Thursday, June 11, upon third reading.

WITHDRAWAL FROM CALENDAR

S.B. 1397, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE COUNTY OF DURHAM TO ALLOW FEES FOR STORMWATER MAINTENANCE, REPAIR, AND IMPROVEMENTS TO BE PAID OVER TIME AND BECOME A LIEN ON REAL PROPERTY, placed on the Calendar for Thursday, June 11.

Senator Gulley offers a motion that the bill be withdrawn from the Calendar for Thursday, June 11, and placed on the Calendar for Tuesday, June 16, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the Calendar for Thursday, June 11, and places it on the Calendar for Tuesday, June 16.

S.B. 1399, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF DURHAM TO PARTICIPATE IN THE COST OF STORM DRAINAGE IMPROVEMENTS ON PRIVATE PROPERTY AND TO ALLOW PRIVATE PARTIES TO PAY OVER TIME FOR THEIR PORTION OF THE COST OF THE IMPROVEMENTS, placed on the Calendar for Thursday, June 11.

Senator Gulley offers a motion that the bill be withdrawn from the Calendar for Thursday, June 11, and placed on the Calendar for Tuesday, June 16, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the Calendar for Thursday, June 11, and places it on the Calendar for Tuesday, June 16.

S.B. 1289 (Committee Substiute), A BILL TO BE ENTITLED AN ACT TO CLAIFY THE AUTHORITY OF REGIONAL TRANSIT AUTHORITIES TO USE INSTALLMENT PURCHASE FINANCING, placed on the Calendar for Thursday, June 11.

Senator Gulley offers a motion that the bill be withdrawn from the Calendar for Thursday, June 11, and placed on the Calendar for Tuesday, June 16, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the Calendar for Thursday, June 11, and places it on the Calendar for Tuesday, June 16.

INTRODUCTION OF A RESOLUTION

Senator McDaniel offers a motion that the rules be suspended to the end to allow him to file for introduction a Senate resolution expressing the sense of the Senate, that the Governor submit a balanced budget for the second year of the biennium in light of the Bailey case, which motion fails by less than a two-thirds majority vote.

On motion of Senator Basnight, seconded by Senator Carpenter, the Senate adjourns at 3:36 P.M. to meet tomorrow, Thursday, June 11, at 1:00 P.M.

ONE HUNDRED FORTY-THIRD DAY

Senate Chamber
Thursday, June 11, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Honorable John M. Blust, Senator from Guilford County.

With unanimous consent, the President grants leaves of absence for today to Senator Carrington, Senator Garwood, Senator Gulley, Senator Hartsell, Senator Odom, and Senator Warren.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Wednesday, June 10, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Lilly J. Lou from Greensboro, North Carolina, who is serving the Senate as Doctor of the Day, and to Debbie Moore from Wake Forest, North Carolina, who is serving the Senate as Nurse of the Day.

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Shaw of Cumberland for the **Transportation Committee**:

S.B. 1291, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION TO CREATE TRANSPORTATION CORRIDORS AND PROTECT THEM FROM DEVELOPMENT, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 6841, which changes the title to read **S.B. 1291** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION, REGIONAL PUBLIC TRANSPORTATION AUTHORITIES, AND REGIONAL TRANSPORTATION AUTHORITIES TO CREATE TRANSPORTATION CORRIDORS AND PROTECT THEM FROM DEVELOPMENT, is adopted and engrossed.

By Senator Miller for the **State Government, Local Government and**

Personnel Committee:

H.B. 1306, A BILL TO BE ENTITLED AN ACT TO ALLOW THE AVERY COUNTY BOARD OF EDUCATION TO BUILD A SCHOOL BUILDING ON LAND NOT OWNED IN FEE SIMPLE BY THE BOARD, with a favorable report.

S.B. 1351, A BILL TO BE ENTITLED AN ACT AUTHORIZING THE DELETION OF LAND AT WAYNESBOROUGH STATE PARK FROM THE STATE PARKS SYSTEM AND ITS SALE TO THE CITY OF GOLDSBORO, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 4689 is adopted and engrossed.

S.B. 1451, A BILL TO BE ENTITLED AN ACT TO REPEAL THE CHARTER OF THE VILLAGE OF SLOOP POINT, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill A862 is adopted and engrossed.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A special message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill for concurrence is presented to the Senate, read, and disposed of, as follows:

S.B. 1193 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE AN EMERGENCY APPROPRIATION, ON THE REQUEST OF THE GOVERNOR, TO COVER THE COSTS OF THE YEAR 2000 CONVERSION IN ALL STATE DEPARTMENTS AND AGENCIES, for concurrence in the House Committee Substitute bill, which is placed on the Calendar for Monday, June 15.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1407, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF NAGS HEAD TO ADOPT ORDINANCES REQUIRING SPRINKLER SYSTEMS IN CERTAIN BUILDINGS.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1570, A BILL TO BE ENTITLED AN ACT TO PERMIT THE TOWN OF LONG BEACH TO PASS ORDINANCES FOR DEVELOPING AND OPERATING PARKS ON DEAD-END STREETS.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1639 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF NEWPORT TO LEASE A CERTAIN PIECE OF PROPERTY

FOR TWENTY-FIVE YEARS.

Referred to **State Government, Local Government, and Personnel Committee.**

REPORTS OF COMMITTEES *(Continued)*

A standing committee report is submitted out of the regular order of business, the bill is read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Hoyle for the **Finance Committee**:

S.B. 1226, A BILL TO BE ENTITLED AN ACT TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE REVENUE LAWS AND RELATED STATUTES, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 3624 is adopted and engrossed.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1103, A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FRANKLIN, upon second reading.

The bill passes its second reading by roll-call vote, ayes 42, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Horton, Hoyle, Jenkins, Jordan, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Page, Perdue, Phillips, Plyler, Purcell, Rand, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Webster, Weinstein, Wellons, and Winner—42.

Voting in the negative: None.

The bill is ordered placed on the Calendar for Monday, June 15, upon third reading.

S.B. 1203, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF CHARLOTTE TO CONTINUE TO LEVY STORM WATER FEES IF REVENUE BONDS HAVE BEEN ISSUED AND ARE OUTSTANDING, upon second reading.

The bill passes its second reading by roll-call vote, ayes 42, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Horton, Hoyle, Jenkins, Jordan, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Page, Perdue, Phillips, Plyler, Purcell, Rand, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Webster, Weinstein, Wellons, and Winner—42.

Voting in the negative: None.

The bill is ordered placed on the Calendar for Monday, June 15, upon third reading.

S.B. 1312 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW CATAWBA, CUMBERLAND, DAVIDSON, DAVIE, DURHAM, HOKE,

LINCOLN, ROBESON, AND WAYNE COUNTIES TO ACQUIRE PROPERTY FOR USE BY THEIR COUNTY BOARDS OF EDUCATION, upon second reading.

With unanimous consent, on motion of Senator Allran, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, June 16, upon second reading.

S.B. 1248, A BILL TO BE ENTITLED AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE TOWN OF CARTHAGE, upon second reading.

The bill passes its second and third readings and is ordered sent to the House of Representatives.

S.B. 1360, A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW, upon second reading.

The bill passes its second and third readings and is ordered sent to the House of Representatives.

S.B. 1417, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF WALLACE TO CONVEY CERTAIN PROPERTY AT A PRIVATE SALE, upon second reading.

The bill passes its second and third readings and is ordered sent to the House of Representatives.

S.B. 1442, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE UNION COUNTY TO SELL LAND THAT IS CURRENTLY USED FOR COMMUNITY COLLEGE PURPOSES AND USE THE PROCEEDS FOR COMMUNITY COLLEGE CAPITAL EXPENDITURES, upon second reading.

The bill passes its second and third readings and is ordered sent to the House of Representatives.

S.B. 1466, A BILL TO BE ENTITLED AN ACT TO ALLOW THE EASTERN BAND OF CHEROKEE INDIANS TO PERFORM BUILDING INSPECTIONS ON TRIBAL LANDS, upon second reading.

The bill passes its second and third readings and is ordered sent to the House of Representatives.

S.B. 1478, A BILL TO BE ENTITLED AN ACT RELATING TO INVESTMENTS OF THE COUNTY OF FORSYTH, upon second reading.

The bill passes its second and third readings and is ordered sent to the House of Representatives.

S.B. 1479, A BILL TO BE ENTITLED AN ACT RELATING TO INVESTMENTS MADE BY THE CITY OF WINSTON-SALEM, upon second reading.

The bill passes its second and third readings and is ordered sent to the House of Representatives.

S.B. 1518, A BILL TO BE ENTITLED AN ACT RELATING TO THE DEFINITION OF SUBDIVISION FOR THE PURPOSE OF SUBDIVISION REGULATION IN STANLY COUNTY, upon second reading.

The bill passes its second and third readings and is ordered sent to the House of Representatives.

H.B. 1261, A BILL TO BE ENTITLED AN ACT TO ADD PASQUOTANK COUNTY TO THOSE COUNTIES IN WHICH IT IS UNLAWFUL TO REMOVE OR DESTROY ELECTRONIC COLLARS ON DOGS, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

S.B. 1227, A BILL TO BE ENTITLED AN ACT TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE USED IN DEFINING AND DETERMINING CERTAIN STATE TAX PROVISIONS AND TO CONFORM TO FEDERAL GIFT TAX TREATMENT OF CONTRIBUTIONS TO QUALIFIED TUITION PROGRAMS, upon second reading.

With unanimous consent, on motion of Senator Kerr, the bill is withdrawn from today's Calendar and is re-referred to the **Finance Committee**.

S.B. 1327 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PRESERVE THE TAX-EXEMPT STATUS FOR PIPED NATURAL GAS SOLD BY MUNICIPALITIES AND TO MAKE THE TAXES ON OTHER SALES OF PIPED NATURAL GAS MORE UNIFORM, upon second reading.

The Committee Substitute bill passes its second reading by roll-call vote, ayes 41, noes 1, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Horton, Hoyle, Jenkins, Jordan, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Page, Perdue, Phillips, Plyler, Purcell, Rand, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Weinstein, Wellons, and Winner—41.

Voting in the negative: Senator Webster—1.

The Committee Substitute bill is ordered placed on the Calendar for Monday, June 15, upon third reading.

S.B. 1453, A BILL TO BE ENTITLED AN ACT TO ENCOURAGE THE DEPARTMENT OF TRANSPORTATION TO USE ADDITIONAL FUNDS FROM THE FEDERAL HIGHWAY REAUTHORIZATION BILL OF 1998 TO EXPEDITE WIDENING OF INTERSTATE HIGHWAYS TO AT LEAST SIX LANES, upon second reading.

The bill passes its second (40-2) and third readings and is ordered sent to the House of Representatives.

S.B. 1313, A BILL TO BE ENTITLED AN ACT TO STRENGTHEN THE SEDIMENTATION POLLUTION CONTROL ACT OF 1973, AS RECOMMENDED BY THE SEDIMENTATION CONTROL COMMISSION AND THE ENVIRONMENTAL REVIEW COMMISSION, upon third reading.

The bill passes its third reading (40-4) and is ordered sent to the House of Representatives.

Upon motion of Senator Forrester, the President of the Senate extends the courtesies of the gallery to three physicians from Moldov: Lt. Colonel Jurie Zamornii, Lt. Colonel Ivan Spinu, and Lt. Colonel Victor Britcov.

EXPLANATION OF VOTE

Pursuant to Rule 30, Senator Clark rises to explain his vote on Senate Bill 1230, as follows:

"Mr. President, fellow Members of the Senate, yesterday, this Chamber, by a vote of 34-14, approved Senate Bill 1230, Motor Fuel Tax Changes. Perhaps the bill was necessary because of unreasonable federal mandates. Fellow Members, what was approved, if not changed in the House Chamber, means thousands of poor people all across North Carolina will, during this Winter heating season, be able to purchase four gallons of kerosene for heating fuel, instead of the five gallons they were able to purchase last Winter for the same $5.50 cost. Not only will they be paying the road use tax on each gallon, but they'll also pay six percent North Carolina State sales tax on the Road Use Tax. What this Chamber has done is to raise the cost of home heating by approximately twenty cents per gallon to thousands of elderly on meager, limited, fixed incomes and the working poor on already barely livable wages. It's for these reasons I voted 'no' on Senate Bill 1230. Thank you."

REPORTS OF COMMITTEES *(Continued)*

A standing committee report is submitted out of the regular order of business, bills are read by their titles, together with the report accompanying them, and take their place on the Calendar, as follows:

By Senator Soles for the **Commerce Committee:**

H.B. 1328, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT A FRANCHISED NATURAL GAS DISTRIBUTION COMPANY THAT IS NOT PROVIDING SERVICE TO AT LEAST SOME PORTION OF CAMDEN, CURRITUCK, DARE, OR TYRRELL COUNTIES BY JULY 1,1998, SHALL LOSE ITS EXCLUSIVE FRANCHISE RIGHTS TO THE COUNTY NOT BEING SERVED, with a favorable report.

S.B. 1149, A BILL TO BE ENTITLED AN ACT TO REPEAL THE REQUIREMENT PERTAINING TO THE REIMBURSEMENT RATE FOR THE RESPITE CARE PROGRAM, with a favorable report.

On motion of Senator Basnight, seconded by Senator Blust, the Senate adjourns at 1:39 P.M. to meet Monday, June 15, at 7:00 P.M.

ONE HUNDRED FORTY-FOURTH DAY

Senate Chamber
Monday, June 15, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Ever Present God, at the beginning of this new week, we pray that the Senators and staff will experience an inner quiet amidst the multitude of people and events that clamor for their attention.

"Filtering through all the voices, may they listen attentively for the lone, quiet voice that centers them, the voice of reason, guidance, justice, mercy, and grace - Your voice, Oh God.

"Then assured of Your companionship, go forth to all the tasks set before them, with peace. In Your Holy Name we pray, Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator East, Senator Hoyle, and Senator Odom.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, June 11, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Robert Francis Berry from Wilmington, North Carolina, who is serving the Senate as Doctor of the Day, and to Betty Woodard from Greensboro, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified, properly enrolled and presented to the Office of the Secretary of State:

H.B. 1261, AN ACT TO ADD PASQUOTANK COUNTY TO THOSE COUNTIES IN WHICH IT IS UNLAWFUL TO REMOVE OR DESTROY ELECTRONIC COLLARS ON DOGS.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1246, A BILL TO BE ENTITLED AN ACT TO MODIFY THE PURPOSES FOR WHICH DAVIE OCCUPANCY TAX PROCEEDS MAY BE USED AND TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE LAW.

Referred to **Finance Committee**.

H.B. 1275, A BILL TO BE ENTITLED AN ACT TO EXTEND THE PERMISSIBLE LENGTH OF LEASES ENTERED INTO BY THE STATESVILLE MUNICIPAL AIRPORT FROM TWENTY TO TWENTY-FIVE YEARS.

Referred to **State Government, Local Government, and Personnel Committee** and upon a favorable report, re-referred to the **Finance Committee.**

H.B. 1367, A BILL TO BE ENTITLED AN ACT TO RAISE THE SALES TAX QUARTERLY THRESHOLD AND TO REPEAL THE ANNUAL WHOLESALE SALES TAX LICENSE.

Referred to **Finance Committee**.

H.B. 1494, A BILL TO BE ENTITLED AN ACT TO REPEAL THE SECTION OF THE CITY OF STATESVILLE'S CHARTER THAT PROHIBITS POLITICAL ACTIVITY BY CERTAIN CITY EMPLOYEES.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1593 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXEMPT ALLEGHANY COUNTY AND THE TOWN OF SPARTA FROM CERTAIN LAWS RELATED TO THE CONSTRUCTION, PROCUREMENT, AND LEASING OF CRITICAL INFRASTRUCTURE NEEDS.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1647, A BILL TO BE ENTITLED AN ACT TO AMEND THE CHARTER OF THE CITY OF ASHEVILLE TO DELETE THE REQUIREMENT THAT COUNCIL MEETINGS BE HELD AT LEAST ONCE EACH WEEK AND TO CHANGE THE MANNER IN WHICH ORDINANCES ARE REVISED OR AMENDED.

Referred to **State Government, Local Government, and Personnel Committee.**

The President of the Senate extends the courtesies of the gallery to the following delegation from Bulgaria: Ivanka Petkova, Boyka Vitanova, Krastjo Krastev, Latchezar Bogdanov, Chavdar Selveliev, Boyko Denchev, and Zola Damianova.

CALENDAR

Bills on tonight's Calendar are taken up and disposed of, as follows:

S.B. 1103, A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FRANKLIN, upon third reading.

The bill passes its third reading by roll-call vote, ayes 42, noes 0 as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Garwood, Gulley, Horton, Jordan, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Moore, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Webster, Weinstein, Wellons, and Winner—42.

Voting in the negative: None.

The bill is ordered sent to the House of Representatives.

S.B. 1203, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF CHARLOTTE TO CONTINUE TO LEVY STORM WATER FEES IF REVENUE BONDS HAVE BEEN ISSUED AND ARE OUTSTANDING, upon third reading.

The bill passes its third reading by roll-call vote, ayes 42, noes 0 as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx,

Garwood, Gulley, Horton, Jordan, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Moore, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Webster, Weinstein, Wellons, and Winner—42.

Voting in the negative: None.

The bill is ordered sent to the House of Representatives.

S.B. 1451 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REPEAL THE CHARTER OF THE VILLAGE OF SLOOP POINT, upon second reading.

The Committee Substitute bill passes its second and third readings and is ordered sent to the House of Representatives.

H.B. 1306, A BILL TO BE ENTITLED AN ACT TO ALLOW THE AVERY COUNTY BOARD OF EDUCATION TO BUILD A SCHOOL BUILDING ON LAND NOT OWNED IN FEE SIMPLE BY THE BOARD, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1328, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT A FRANCHISED NATURAL GAS DISTRIBUTION COMPANY THAT IS NOT PROVIDING SERVICE TO AT LEAST SOME PORTION OF CAMDEN, CURRITUCK, DARE, OR TYRRELL COUNTIES BY JULY 1,1998, SHALL LOSE ITS EXCLUSIVE FRANCHISE RIGHTS TO THE COUNTY NOT BEING SERVED, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

S.B. 1327 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PRESERVE THE TAX-EXEMPT STATUS FOR PIPED NATURAL GAS SOLD BY MUNICIPALITIES AND TO MAKE THE TAXES ON OTHER SALES OF PIPED NATURAL GAS MORE UNIFORM, upon third reading.

The Committee Substitute bill passes its third reading by roll-call vote, ayes 42, noes 3, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Gulley, Horton, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, Wellons, and Winner—42.

Voting in the negative: Senators Clark, Garwood, and Webster—3.

The Committee Substitute bill is ordered sent to the House of Representatives.

S.B. 1226 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE REVENUE LAWS AND RELATED STATUTES, upon second reading.

The Committee Substitute bill passes its second reading by roll-call vote, ayes 45, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Garwood, Gulley, Horton, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt,

Martin of Guilford, McDaniel, Miller, Moore, Page, Perdue, Phillips, Purcell, Plyler, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—45.

Voting in the negative: None.

The Committee Substitute bill is ordered placed on the Calendar for tomorrow, Tuesday, June 16, upon third reading.

S.B. 1149, A BILL TO BE ENTITLED AN ACT TO REPEAL THE REQUIREMENT PERTAINING TO THE REIMBURSEMENT RATE FOR THE RESPITE CARE PROGRAM, upon second reading.

The bill passes its second (45-0) and third readings and is ordered sent to the House of Representatives.

REPORT OF COMMITTEE

Bills are reported from a standing committee, read by their titles, together with the report accompanying them, and take their place on the Calendar, as follows:

By Senator Kerr for the **Finance Committee**:

S.B. 1137, A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE VILLAGE OF WESLEY CHAPEL, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 4690 is adopted and engrossed.

S.B. 1166 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FARMVILLE AND TO EXTEND THE TERMS OF THE MAYOR AND BOARD OF COMMISSIONERS OF THE TOWN OF LEGGETT FROM TWO TO FOUR YEARS, with an unfavorable report as to Committee Substitute bill No. 1, but favorable as to Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Committee Substitute bill No. 2, A865 is adopted and engrossed.

CALENDAR *(Continued)*

S.B. 1291 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION, REGIONAL PUBLIC TRANSPORTATION AUTHORITIES, AND REGIONAL TRANSPORTATION AUTHORITIES TO CREATE TRANSPORTATION CORRIDORS AND PROTECT THEM FROM DEVELOPMENT, upon second reading.

With unanimous consent, on motion of Senator Gulley, the Committee Substitute bill is withdrawn from tonight's Calendar and is placed on the Calendar for Tuesday, June 16, upon second reading.

S.B. 1351 (Committee Substitute), A BILL TO BE ENTITLED AN ACT AUTHORIZING THE DELETION OF LAND AT WAYNESBOROUGH STATE PARK FROM THE STATE PARKS SYSTEM AND ITS SALE TO THE CITY OF GOLDSBORO, upon second reading.

The Committee Substitute bill passes its second (45-0) and third readings and is ordered sent to the House of Representatives.

S.B. 1193 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE AN EMERGENCY APPROPRIATION, ON THE REQUEST OF THE GOVERNOR, TO COVER THE COSTS OF THE YEAR 2000 CONVERSION IN ALL STATE DEPARTMENTS AND AGENCIES, for concurrence in the House Committee Substitute bill.

The Senate concurs in the House Committee Substitute bill (45-0) and the measure is ordered enrolled and sent to the Governor.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H. B. 989 House of Representatives
June 15, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House of Representatives has adopted the report of the conferees on Senate Committee Substitute for HB 989, A BILL TO BE ENTITLED AN ACT TO REMOVE THE FEE FOR THE SCHOOL ADMINISTRATOR'S EXAM. Pursuant to your message that you have adopted the report of the Conferees, the bill is ordered enrolled.

Respectfully,
S/Denise Weeks
PRINCIPAL CLERK

The President recognizes the following pages serving in the Senate this week:

Kathryn Paige Akers, Bethel; Kimberly Jane Allen, Lenoir; David Chadwick Baucom, Charlotte; Rebecca Leigh Berg, New Bern; Kathryn Marie Blackwell, Thomasville; Bradley Cameron Bynum, Apex; Suzanne Barrett Coddington, Charlotte; William Inslee Coddington, Charlotte; Jessica Ruth Earley, Belmont; Floyd E. Isenhour, Landis; Erica Gonzalez, Gastonia; Courtney Susan Harris, Hertford; Bethany Lynne Hunter, Beulaville; Corrie Leigh Johnson, Bethel; Darius Little, Oxford; Robin Swinson Luney, Raleigh; John A. Mandeville, Jr., Raleigh; Suzy Bissette Morgan, Hertford; Michael M. V. Pennink, Fayetteville; Elizabeth Hope Reeves, Hickory; Kara Leigh Saunders, Fayetteville; Andrea Renee Swann, Dallas; and Margaret Bernice Tatum, Fayetteville.

On motion of Senator Basnight, seconded by Senator Jordan, the Senate adjourns at 7:37 P.M. to meet tomorrow, Tuesday, June 16, at 2:00 P.M.

ONE HUNDRED FORTY-FIFTH DAY

Senate Chamber
Tuesday, June 16, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend William H. Gattis, Senior Pastor of the University United Methodist Church, Chapel Hill, North Carolina, as follows:

"Almighty God, our Heavenly Father, our Eternal Parent, we pause in the midst of pressing duties and commanding needs to open our hearts in prayer to Thee, who art the source of goodness and love and truth, that the light of Thy Spirit may shine upon our pathway and illumine the way to righteousness, to justice, and to peace.

"Keep our hearts clean, our spirits courageous, our minds clear as we face the tasks of the day. Lead us and all persons to that place where good will shall reign and truth shall rule and freedom shall regulate the actions of people.

"Before this altar of prayer, we dedicate ourselves anew to Thee and we pledge our loyalty to this State and to the well-being of persons everywhere.

"God be in our heads and in our understanding; God be in our eyes and in our looking; God be in our mouths and in our speaking; God be in our minds and in our thinking. In God's Holy Name we pray. Amen."

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Monday, June 15, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Thomas Henry McMillan from Charlotte, North Carolina, who is serving the Senate as Doctor of the Day, and to Pat Campbell from Charlotte, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 1193, AN ACT TO MAKE AN EMERGENCY APPROPRIATION, ON THE REQUEST OF THE GOVERNOR, TO COVER THE COSTS OF THE YEAR 2000 CONVERSION IN ALL STATE DEPARTMENTS AND AGENCIES.

The Chair orders the bill sent to the Governor by special messenger.

H.B. 989, AN ACT TO REMOVE THE FEE FOR THE SCHOOL ADMINISTRATORS' EXAM.

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.B. 1306, AN ACT TO ALLOW THE AVERY COUNTY BOARD OF EDUCATION TO BUILD A SCHOOL BUILDING ON LAND NOT OWNED IN FEE SIMPLE BY THE BOARD.

H.B. 1328, AN ACT TO PROVIDE THAT A FRANCHISED NATURAL GAS DISTRIBUTION COMPANY THAT IS NOT PROVIDING SERVICE TO AT LEAST SOME PORTION OF CAMDEN, CURRITUCK, DARE, OR TYRRELL COUNTIES BY JULY 1,1998, SHALL LOSE ITS EXCLUSIVE FRANCHISE RIGHTS TO THE COUNTY NOT BEING SERVED.

CHAPTERED BILLS

The Enrolling Clerk reports the following bill properly enrolled, assigned the following Chapter Number, and presented to the Office of the Secretary of State:

H.B. 1261, AN ACT TO ADD PASQUOTANK COUNTY TO THOSE COUNTIES IN WHICH IT IS UNLAWFUL TO REMOVE OR DESTROY ELECTRONIC COLLARS ON DOGS. (Became law upon ratification, June 15, 1998 - S.L.1998-6.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Soles for the **Commerce Committee:**

S.B. 1242, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A WIRELESS ENHANCED 911 SYSTEM FOR THE USE OF CELLULAR, PERSONAL COMMUNICATIONS SERVICE, AND OTHER WIRELESS TELEPHONE CUSTOMERS, AS RECOMMENDED BY THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 4691, which changes the title to read **S.B. 1242** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A WIRELESS ENHANCED 911 SYSTEM FOR THE USE OF CELLULAR, PERSONAL COMMUNICATIONS SERVICE, AND OTHER WIRELESS TELEPHONE CUSTOMERS, AS RECOMMENDED BY THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE, AND TO ALLOW STATE AGENCIES TO LEASE PUBLIC PROPERTY FOR THE CONSTRUCTION OF WIRELESS COMMUNICATIONS TOWERS AND TO ENCOURAGE COLOCATION OF SERVICES TO THOSE TOWERS, is adopted and engrossed.

Pursuant to Rule 43, the Committee Substitute bill is re-referred to the **Finance Committee**.

By Senator Hoyle for the **Finance Committee**:

S.B. 1252, A BILL TO BE ENTITLED AN ACT TO SIMPLIFY AND MODIFY PRIVILEGE LICENSE AND EXCISE TAXES AND RELATED PERMIT FEES, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 9511 is adopted and engrossed.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1284 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW ALEXANDER AND DAVIDSON COUNTIES TO ACQUIRE PROPERTY FOR USE BY THE COUNTY BOARDS OF EDUCATION.

Referred to **Finance Committee**.

H.B. 1594, A BILL TO BE ENTITLED AN ACT TO LIMIT THE LIABILITY OF THE TOWN OF COLUMBUS FOR REPAYMENT OF ERRONEOUS FRANCHISE TAX DISTRIBUTIONS.

Referred to **Finance Committee**.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1137 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE VILLAGE OF WESLEY CHAPEL, upon second reading.

The Committee Substitute bill passes its second reading, with a three-fifths majority affirmative vote, by roll-call vote, ayes 50, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—50.

Voting in the negative: None.

The Committee Substitute bill is ordered placed on the Calendar for tomorrow, Wednesday, June 17, upon third reading.

S.B. 1399, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF DURHAM TO PARTICIPATE IN THE COST OF STORM DRAINAGE IMPROVEMENTS ON PRIVATE PROPERTY AND TO ALLOW PRIVATE PARTIES TO PAY OVER TIME FOR THEIR PORTION OF THE COST OF THE IMPROVEMENTS, upon second reading.

The bill passes its second reading by roll-call vote, ayes 50, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of

Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—50.

Voting in the negative: None.

The bill is ordered placed on the Calendar for tomorrow, Wednesday, June 17, upon third reading.

S.B. 1166 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FARMVILLE AND TO EXTEND THE TERMS OF THE MAYOR AND BOARD OF COMMISSIONERS OF THE TOWN OF LEGGETT FROM TWO TO FOUR YEARS, upon second reading.

The President of the Senate rules that the Committee Substitute bill No. 2 requires a call of the roll.

The Committee Substitute bill No. 2 passes its second reading by roll-call vote, ayes 50, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—50.

Voting in the negative: None.

The Committee Substitute bill No. 2 is ordered placed on the Calendar for tomorrow, Wednesday, June 17, upon third reading.

S.B. 1312 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW CATAWBA, CUMBERLAND, DAVIDSON, DAVIE, DURHAM, HOKE, LINCOLN, ROBESON, AND WAYNE COUNTIES TO ACQUIRE PROPERTY FOR USE BY THEIR COUNTY BOARDS OF EDUCATION, upon second reading.

Senator Webster offers Amendment No. 1 which is adopted (49-1), and changes the title to read **S.B. 1312** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW ALAMANCE, CATAWBA, CUMBERLAND, DAVIDSON, DAVIE, DURHAM, HOKE, LINCOLN, ROBESON, AND WAYNE COUNTIES TO ACQUIRE PROPERTY FOR USE BY THEIR COUNTY BOARDS OF EDUCATION.

The Committee Substitute bill, as amended, passes its second and third readings and is ordered engrossed and sent to the House of Representatives.

S.B. 1397, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE COUNTY OF DURHAM TO ALLOW FEES FOR STORMWATER MAINTENANCE, REPAIR, AND IMPROVEMENTS TO BE PAID OVER TIME AND BECOME A LIEN ON REAL PROPERTY, upon second reading.

The bill passes its second (50-0) and third readings and is ordered sent to the House of Representatives.

S.B. 1226 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE REVENUE LAWS AND RELATED STATUTES, upon third reading.

The Committee Substitute bill passes its third reading by roll-call vote, ayes 50, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—50.

Voting in the negative: None.

The Committee Substitute bill is ordered sent to the House of Representatives.

S.B. 1241 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, AND TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, upon second reading.

Senator Blust offers Amendment No. 1.

Senator Hoyle rises to a point of order under Rule 57.1 as to the germaneness of Amendment No. 1 offered by Senator Blust.

The Senate recesses at 2:48 P.M. to reconvene at 2:58 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

CALENDAR *(Continued)*

S.B. 1241 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, AND TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, upon second reading, with Amendment No. 1 pending.

Senator Hoyle withdraws his inquiry as to the germaneness of Amendment No. 1.

On motion of Senator Hoyle, the Committee Substitute bill and the pending Amendment No. 1 are re-referred to the **Finance Committee**.

S.B. 1124 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO EMPLOY TEACHERS WHO ARE LEGALLY CERTIFICATED IN ANOTHER STATE EVEN THOUGH THEY MAY NOT BE CERTIFICATED IN NORTH CAROLINA, upon second reading.

Senator Hartsell offers Amendment No. 1 which is adopted (50-0).

The Committee Substitute bill, as amended, passes its second (50-0) and third readings and is ordered engrossed and sent to the House of Representatives.

S.B. 1289 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CLARIFY THE AUTHORITY OF REGIONAL TRANSIT AUTHORITIES TO USE INSTALLMENT PURCHASE FINANCING, upon second reading.

The Committee Substitute bill passes its second (48-2) and third readings and is ordered sent to the House of Representatives.

S.B. 1291 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION, REGIONAL PUBLIC TRANSPORTATION AUTHORITIES, AND REGIONAL TRANSPORTATION AUTHORITIES TO CREATE TRANSPORTATION CORRIDORS AND PROTECT THEM FROM DEVELOPMENT, upon second reading.

With unanimous consent, on motion of Senator Gulley, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, June 17, upon second reading.

On motion of Senator Basnight, seconded by Senator Page, the Senate adjourns at 3:22 P.M. to meet tomorrow, Wednesday, June 17, at 2:00 P.M.

ONE HUNDRED FORTY-SIXTH DAY

Senate Chamber
Wednesday, June 17, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, a Rabbi once taught, 'In seeking wisdom we are wise, in imagining that we have attained it, we are foolish.'

"Some decisions are so complex they are hard for us to understand and handle. Give us discretion as we weigh these issues. May we not act impulsively and then live to regret our decisions. May we not be afraid of standing against that which is expedient.

"Finally, Oh God, give us faith to commit our decisions to You for Your Glory and for our good. Amen."

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Tuesday, June 16, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. James Laurence Hanson from Greensboro, North Carolina, who is serving the Senate as Doctor of the Day, and to Ivey Betts from Henderson, North Carolina, who is serving the Senate as Nurse of the Day.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1306, AN ACT TO ALLOW THE AVERY COUNTY BOARD OF EDUCATION TO BUILD A SCHOOL BUILDING ON LAND NOT OWNED IN FEE SIMPLE BY THE BOARD. (Became law upon ratification, June 16, 1998 - S.L.1998-7.)

H.B. 1328, AN ACT TO PROVIDE THAT A FRANCHISED NATURAL GAS DISTRIBUTION COMPANY THAT IS NOT PROVIDING SERVICE TO AT LEAST SOME PORTION OF CAMDEN, CURRITUCK, DARE, OR TYRRELL COUNTIES BY JULY 1, 1998, SHALL LOSE ITS EXCLUSIVE FRANCHISE RIGHTS TO THE COUNTY NOT BEING SERVED. (Became law upon ratification, June 16, 1998 - S.L.1998-8.)

S.B. 1193, AN ACT TO MAKE AN EMERGENCY APPROPRIATION, ON THE REQUEST OF THE GOVERNOR, TO COVER THE COSTS OF THE YEAR 2000 CONVERSION IN ALL STATE DEPARTMENTS AND AGENCIES. (Became law upon approval of the Governor, June 16, 1998 - S.L.1998-9.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Jenkins for the **Pensions & Retirement and Insurance Committee.**

S.B. 494, A BILL TO BE ENTITLED AN ACT TO INCLUDE PUBLIC DEFENDERS AND THE APPELLATE DEFENDER AS MEMBERS OF THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, with a favorable report.

On motion of Senator Jenkins, the bill is re-referred to the **Appropriations Committee**.

S.B. 1183, A BILL TO BE ENTITLED AN ACT TO ALLOW THE PUBLIC WORKS COMMISSION OF THE CITY OF FAYETTEVILLE TO PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, with a favorable report.

On motion of Senator Jenkins, the bill is re-referred to the **Appropriations Committee**.

S.B. 1407, A BILL TO BE ENTITLED AN ACT TO PROVIDE BENEFITS UNDER THE REGISTERS OF DEEDS' SUPPLEMENTAL PENSION FUND ACT TO REGISTERS OF DEEDS WHO ARE OTHERWISE NOT ELIGIBLE SOLELY BECAUSE THE COUNTY DOES NOT PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, with a favorable report.

On motion of Senator Jenkins, the bill is re-referred to the **Appropriations Committee**.

S.B. 1464, A BILL TO BE ENTITLED AN ACT TO INCREASE THE CONTRIBUTORY DEATH BENEFIT FOR RETIREES IN THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, THE LEGISLATIVE RETIREMENT SYSTEM, AND THE LOCAL GOVERNMENTAL RETIREMENT SYSTEM, with a favorable report.

Pursuant to Rule 43, the bill is re-referred to the **Appropriations Committee**.

By Senator Miller for the **State Government, Local Government, and Personnel Committee:**

S.B. 1539, A BILL TO BE ENTITLED AN ACT TO ALLOW CITIES TO REQUIRE THAT A FOOD OR RETAIL BUSINESS THAT HOLDS AN ABC PERMIT AND IS LOCATED IN AN URBAN REDEVELOPMENT AREA OR WITHIN ONE THOUSAND FIVE HUNDRED FEET OF A SCHOOL OR CHILD CARE CENTER MAY ONLY BE OPERATED WITH A SPECIAL USE PERMIT OR CONDITIONAL USE PERMIT, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 3625, which changes the title to read **S.B. 1539** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW CITIES TO REQUIRE THAT A FOOD OR RETAIL BUSINESS THAT HOLDS AN ABC PERMIT AND IS LOCATED IN AN URBAN REDEVELOPMENT AREA OR WITHIN FIFTEEN HUNDRED FEET OF A SCHOOL OR CHILD CARE CENTER SHALL ONLY BE OPERATED WITH A SPECIAL USE PERMIT OR CONDITIONAL USE PERMIT, is adopted and engrossed.

Pursuant to Rule 43, the Committee Substitute bill is re-referred to the **Appropriations Committee.**

H.B. 1251, A BILL TO BE ENTITLED AN ACT TO PROVIDE STAGGERED TERMS FOR THE BOARD OF COMMISSIONERS OF THE TOWN OF LITTLETON AND TO PROVIDE A FOUR-YEAR TERM FOR THE MAYOR, with a favorable report.

H.B. 1289, A BILL TO BE ENTITLED AN ACT PERMITTING THE ROWAN-SALISBURY BOARD OF EDUCATION TO CONVEY TO THE ROWAN COUNTY VOCATIONAL WORKSHOP, INC., ITS REMAINING INTEREST IN THE PROPERTY PREVIOUSLY CONVEYED TO THAT ENTITY, with a favorable report.

H.B. 1407, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF NAGS HEAD TO ADOPT ORDINANCES REQUIRING SPRINKLER SYSTEMS IN CERTAIN BUILDINGS, with a favorable report.

H.B. 1505, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE USE OF FUNDS APPROPRIATED FOR THE NORTH CAROLINA INDIAN CULTURAL CENTER AND TO ADD A SEAT ON THE BOARD OF THE NORTH CAROLINA INDIAN CULTURAL CENTER FOR A REPRESENTATIVE OF THE INDIANS OF PERSON COUNTY, with a favorable report.

Pursuant to Rule 43, the bill is re-referred to the **Appropriations Committee.**

S.B. 1356, A BILL TO BE ENTITLED AN ACT TO MODIFY THE COMPOSITION OF THE BOONE TOURISM DEVELOPMENT AUTHORITY, with a favorable report.

By Senator Hoyle for the **Finance Committee**:

S.B. 1354, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS CRITICAL STATEWIDE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS, LOANS, AND REVOLVING LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY AND DISTRIBUTION SYSTEMS, WASTEWATER COLLECTION SYSTEMS,

WASTEWATER TREATMENT WORKS, WATER CONSERVATION PROJECTS, AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 7999, which changes the title to read **S.B. 1354** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS CRITICAL STATEWIDE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY AND DISTRIBUTION SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, WATER CONSERVATION PROJECTS, AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES, is adopted and engrossed.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1252 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SIMPLIFY AND MODIFY PRIVILEGE LICENSE AND EXCISE TAXES AND RELATED PERMIT FEES, upon second reading.

With unanimous consent, on motion of Senator Hoyle, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, June 23, upon second reading.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1415, A BILL TO BE ENTITLED AN ACT TO STRENGTHEN THE SEDIMENTATION POLLUTION CONTROL ACT OF 1973, AS RECOMMENDED BY THE SEDIMENTATION CONTROL COMMISSION AND THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Agriculture/Environment/Natural Resources Committee**.

H.B. 1433, A BILL TO BE ENTITLED AN ACT TO EXTEND THE STUDY OF THE ORGANIZATIONAL STRUCTURE AND ADMINISTRATIVE PLACEMENT OF THE PROGRAMS IN THE DIVISION OF ENVIRONMENTAL HEALTH OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND TO EXPAND THE SCOPE OF THE STUDY TO INCLUDE THE ORGANIZATION, FUNCTIONS, POWERS, AND DUTIES OF THE VARIOUS BOARDS, COMMISSIONS, AND COUNCILS HAVING JURISDICTION OVER ENVIRONMENTAL, PUBLIC HEALTH, AND NATURAL RESOURCES PROGRAMS, AS RECOMMENDED BY THE ENVIRONMENTAL

REVIEW COMMISSION.

Referred to **Agriculture/Environment/Natural Resources Committee**.

CALENDAR *(Continued)*

S.B. 1137 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE VILLAGE OF WESLEY CHAPEL, upon third reading.

The Committee Substitute bill passes its third reading with a three-fifths majority affirmative vote, by roll-call vote, ayes 50, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—50.

Voting in the negative: None.

The Committee Substitute bill is ordered sent to the House of Representatives.

S.B. 1166 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FARMVILLE AND TO EXTEND THE TERMS OF THE MAYOR AND BOARD OF COMMISSIONERS OF THE TOWN OF LEGGETT FROM TWO TO FOUR YEARS, upon third reading.

The Committee Substitute bill No. 2 passes its third reading by roll-call vote, ayes 50, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—50.

Voting in the negative: None.

The Committee Substitute bill No. 2 is ordered sent to the House of Representatives.

S.B. 1399, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF DURHAM TO PARTICIPATE IN THE COST OF STORM DRAINAGE IMPROVEMENTS ON PRIVATE PROPERTY AND TO ALLOW PRIVATE PARTIES TO PAY OVER TIME FOR THEIR PORTION OF THE COST OF THE IMPROVEMENTS, upon third reading.

The bill passes its third reading by roll-call vote, ayes 50, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—50.

Voting in the negative: None.

The bill is ordered sent to the House of Representatives.

S.B. 1291 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION, REGIONAL PUBLIC TRANSPORTATION AUTHORITIES, AND REGIONAL TRANSPORTATION AUTHORITIES TO CREATE TRANSPORTATION CORRIDORS AND PROTECT THEM FROM DEVELOPMENT, upon second reading.

Senator Wellons offers Amendment No. 1.

On motion of Senator Rand, the Committee Substitute bill is withdrawn from today's calendar and re-referred to the **Transportation Committee** with Amendment No. 1 pending.

REPORT OF COMMITTEE

A standing committee report is submitted out of the regular order of business, a bill is read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Cooper for the **Judiciary Committee:**

H.B. 594 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ENHANCE THE PUNISHMENT IMPOSED FOR INJURING A PREGNANT WOMAN IN THE COMMISSION OF A FELONY, ACT OF DOMESTIC VIOLENCE, OR UNLAWFUL OPERATION OF A VEHICLE CAUSING A MISCARRIAGE OR STILLBIRTH, with an unfavorable report as to Committee Substitute bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 3140, which changes the title to read **H.B. 594** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ENHANCE THE PUNISHMENT IMPOSED FOR INJURING A PREGNANT WOMAN IN THE COMMISSION OF A FELONY OR ACT OF DOMESTIC VIOLENCE, CAUSING A MISCARRIAGE OR STILLBIRTH, is adopted and engrossed.

On motion of Senator Cooper, the Senate Committee Substitute bill is re-referred to the **Appropriations Committee**.

COMMITTEE REFERRAL RECALL

S.B. 1565, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE REGISTRATION OF DEALERS IN POULTRY AND RATITES, TO PROHIBIT SPECIALTY MARKET OPERATORS FROM PERMITTING UNREGISTERED POULTRY OR RATITE DEALERS FROM OPERATING AT SPECIALTY MARKETS, AND TO APPROPRIATE FUNDS FOR THE ENFORCEMENT OF THESE REGISTRATION REQUIREMENTS, referred to the **Agriculture/Environment/Natural Resources Committee** on June 1.

Pursuant to Rule 47(a), Senator Albertson offers a motion that the bill be withdrawn from the **Agriculture/Environment/Natural Resources Committee** and re-referred to the **Appropriations Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Agriculture/Environment/Natural Resources Committee** and re-refers the measure to the **Appropriations Committee**.

PERSONAL PRIVILEGE

Upon motion of Senator Ballance, the remarks of Senator Shaw of Cumberland who rises for a point of personal privilege are spread upon the Journal as follows:

"Ladies and Gentlemen, members of the Senate, by the token of time, down through the ages, man is lost, except for such as has faith and the doer of righteous deeds, and joining together the mutual teachers of truth, patience and competency. I think the gentleman that I am referring to today lived that kind of life. He seems to elude age and is timeless. I don't know if he knows the secret to the philosophy stone or the immortal elixir or he's a chemist or what, but he seems to have the eternal youth, the vibrance and all the things that we all admire. I think the sun shown a little brighter this morning, the birds sang a little stronger. I would like to ask you to join me in celebrating today's birthday of my seatmate, the Honorable David Weinstein."

On motion of Senator Basnight, seconded by Senator Weinstein, the Senate adjourns at 2:53 P.M. to meet tomorrow, Thursday, June 18, at 12:00 Noon.

ONE HUNDRED FORTY-SEVENTH DAY

Senate Chamber
Thursday, June 18, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"In the midst of our hurried lives, grant, Oh Lord, the strong reminder of how You bless us, so that we may never forget to take time to be kind to others.

"Help us to be unselfish in friendship, thoughtful of those less happy than ourselves, and always eager to bear the burdens of others.

"All through this day, by Your Spirit, let us touch the lives of others for good, whether through the words we speak to them, the prayers we pray for them, or the lives that we live before them. In Your Holy Name we pray, Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Moore.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Wednesday, June 17, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Hubert Durwood Tyndall from Goldsboro, North Carolina, who is serving the Senate as Doctor of the Day, and to Michele Sawyer from Greenville, North Carolina, who is serving the Senate as Nurse of the Day.

CHAPTERED BILLS

The Enrolling Clerk reports the following bill properly enrolled, assigned the following Chapter Number, and presented to the Office of the Secretary of State:

S.B. 845, AN ACT TO PERMIT THE STATE TO PROVIDE SCHOOL AND ACTIVITY BUSES FOR THE TRANSPORTATION NEEDS OF THE SPECIAL OLYMPICS. (Became law upon approval of the Governor, June 17, 1998 - S.L.1998-10.)

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1285 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REQUIRE LOCAL GOVERNMENTS TO PUBLICIZE THE REVENUE NEUTRAL TAX RATE IN THE YEARS WHEN THERE IS A GENERAL REVALUATION OF REAL PROPERTY, AND TO NOTIFY PERSONS SUBJECT TO ANNEXATION OF THE PROJECTED CHANGE TO THEIR PROPERTY TAX LIABILITY, AND TO REQUIRE TAX BILLS TO INCLUDE THE DATES OF THE TAX YEAR.

Referred to **Finance Committee**.

H.B. 1334, A BILL TO BE ENTITLED AN ACT TO INCREASE THE NUMBER OF CONTRACTORS ON THE BUILDING CODE COUNCIL AND TO REQUIRE COUNCIL TO CONSIDER THE IMPACT OF CODE CHANGES ON THE AFFORDABILITY OF RESIDENTIAL HOUSING.

Referred to **Commerce Committee**.

H.B. 1371, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO INCREASE PURCHASING FLEXIBILITY FOR ALL PUBLIC SCHOOLS.

Referred to **Education/Higher Education Committee**.

H.B. 1410, A BILL TO BE ENTITLED AN ACT TO EXTEND THE MORATORIUM ON ISSUING SHELLFISH CULTIVATION LEASES IN CORE SOUND, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE.

Referred to **Agriculture/Environment/Natural Resources Committee**.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1356, A BILL TO BE ENTITLED AN ACT TO MODIFY THE COMPOSITION OF THE BOONE TOURISM DEVELOPMENT AUTHORITY, upon second reading.

The bill passes its second and third readings and is ordered sent to the House of Representatives.

H.B. 1251 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE STAGGERED TERMS FOR THE BOARD OF COMMISSIONERS OF THE TOWN OF LITTLETON AND TO PROVIDE A FOUR-YEAR TERM FOR THE MAYOR, upon second reading.

The Committee Substitute bill passes its second and third readings and is ordered enrolled.

H.B. 1289, A BILL TO BE ENTITLED AN ACT PERMITTING THE ROWAN-SALISBURY BOARD OF EDUCATION TO CONVEY TO THE ROWAN COUNTY VOCATIONAL WORKSHOP, INC., ITS REMAINING INTEREST IN THE PROPERTY PREVIOUSLY CONVEYED TO THAT ENTITY, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1407, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF NAGS HEAD TO ADOPT ORDINANCES REQUIRING SPRINKLER SYSTEMS IN CERTAIN BUILDINGS, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

S.B. 1354 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS CRITICAL STATEWIDE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY AND DISTRIBUTION SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, WATER CONSERVATION PROJECTS, AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES, upon second reading.

Senator Kerr offers Amendment No. 1 which is adopted (47-1).

Senator McDaniel offers Amendment No. 2 which is adopted (48-0).

Senator Cochrane offers Amendment No. 3 which fails of adoption (17-30).

Senator Webster offer Amendment No. 4 which he subsequently withdraws.

Senator Foxx offer Amendment No. 5 which is adopted (47-0).

The Committee Substitute bill, as amended, passes its second reading by roll-call vote, ayes 48, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—48.

Voting in the negative: None.

The Committee Substitute bill, as amended, is ordered placed on the Calendar for Monday, June 22, upon third reading.

REPORTS OF COMMITTEES

Standing committee reports are submitted out of the regular order of business, bills are read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Hoyle for the **Finance Committee**:

H.B. 1246, A BILL TO BE ENTITLED AN ACT TO MODIFY THE PURPOSES FOR WHICH DAVIE OCCUPANCY TAX PROCEEDS MAY BE USED AND TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE LAW, with a favorable report.

S.B. 1333, A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF LANDIS, with a favorable report.

S.B. 1426, A BILL TO BE ENTITLED AN ACT TO INCREASE THE FEE FOR AUTOPSIES, with a favorable report.

On motion of Senator Hoyle, the bill is re-referred to the **Appropriations Committee**.

S.B. 1450, A BILL TO BE ENTITLED AN ACT TO PROVIDE A GROSS RECEIPTS TAX EXEMPTION FOR CERTAIN NONPROFIT COMMUNITY FESTIVALS, with a favorable report.

On motion of Senator Hoyle, the bill is re-referred to the **Appropriations Committee**.

S.B. 1410, A BILL TO BE ENTITLED AN ACT TO ANNEX AN AREA TO THE TOWN OF CHADBOURN, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 6843, which changes the title to read **S.B. 1410** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN BOARD TO ANNEX AN AREA TO THE TOWN OF CHADBOURN, is adopted and engrossed.

S.B. 1569, A BILL TO BE ENTITLED AN ACT TO FURTHER PROMOTE DEVELOPMENT IN ALL AREAS OF THE STATE BY MODIFYING THE WILLIAM S. LEE QUALITY JOBS AND BUSINESS EXPANSION ACT, CREATING STATE DEVELOPMENT ZONES, PROVIDING FUNDS FOR INFRASTRUCTURE IN RURAL AND LESS PROSPEROUS AREAS, AND ENCOURAGING DEVELOPMENT OF AIR COURIER HUBS, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 9750, which changes the title to read **S.B. 1569** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO FURTHER PROMOTE DEVELOPMENT IN ALL AREAS OF THE STATE BY MODIFYING THE WILLIAM S. LEE QUALITY JOBS AND BUSINESS EXPANSION ACT, CREATING STATE DEVELOPMENT ZONES, PROVIDING FUNDS FOR INFRASTRUCTURE IN RURAL AND LESS PROSPEROUS AREAS, ENCOURAGING DEVELOPMENT OF AIR COURIER HUBS, AND ENCOURAGING DEVELOPMENT OF THE RECYCLING INDUSTRY IN TIER ONE COUNTIES, is adopted and engrossed.

By Senator Miller for the **State Government, Local Government, and Personnel Committee**:

S.B. 1494, A BILL TO BE ENTITLED AN ACT TO REGULATE HUNTING IN LEE COUNTY, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill A867 is adopted and engrossed.

On motion of Senator Basnight, seconded by Senator Albertson, the Senate adjourns at 1:22 P.M. to meet Monday, June 22, at 7:00 P.M.

ONE HUNDRED FORTY-EIGHTH DAY

Senate Chamber
Monday, June 22, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Our Heavenly Father, much of our time is spent trying to bring things to a conclusion. Remind us that life is inconclusive. You are not done with us yet! The final words on us and our lives has yet to be spoken.

"Perhaps the best sermons begin after the clergy has stopped speaking. This week let us be worthy ambassadors, living sermons of Your love and concern for the world in which we live. In Your Holy Name we pray, Amen."

With unanimous consent, the President grants a leave of absence for tonight to Senator Rucho.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, June 18, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Richard Gerald Juberg from Erwin, North Carolina, who is serving the Senate as Doctor of the Day, and to Linda Brown from Chapel Hill, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.B. 1251, AN ACT TO PROVIDE STAGGERED TERMS FOR THE BOARD OF COMMISSIONERS OF THE TOWN OF LITTLETON AND TO PROVIDE A FOUR-YEAR TERM FOR THE MAYOR.

H.B. 1289, AN ACT PERMITTING THE ROWAN-SALISBURY BOARD OF EDUCATION TO CONVEY TO THE ROWAN COUNTY VOCATIONAL WORKSHOP, INC., ITS REMAINING INTEREST IN THE PROPERTY PREVIOUSLY CONVEYED TO THAT ENTITY.

H.B. 1407, AN ACT TO ALLOW THE TOWN OF NAGS HEAD TO ADOPT ORDINANCES REQUIRING SPRINKLER SYSTEMS IN CERTAIN BUILDINGS.

REPORT OF COMMITTEE

Bills and a resolution are reported from a standing committee, read by their titles, together with the report accompanying them, and take their place on the Calendar, as follows:

By Senator Rand for the **Rules and Operations of the Senate Committee**:

S.J.R. 1084, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF J. MELVILLE BROUGHTON, JR., with an unfavorable report as to joint resolution, but favorable as to Committee Substitute Joint Resolution.

Pursuant to Rule 45.1, the proposed Committee Substitute joint resolution 7998 is adopted and engrossed.

With unanimous consent, on motion of Senator Rand, the Committee Substitute joint resolution is placed on the Calendar for Monday, June 29, upon second reading.

S.B. 1157, A BILL TO BE ENTITLED AN ACT RELATING TO THE SEVENTEENTH SENATORIAL DISTRICT, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 7995, which changes the title to read **S.B. 1157** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR CAPITAL IMPROVEMENTS OF THE SCOTLAND COUNTY STADIUM-CIVIC CENTER, is adopted and engrossed. Upon adoption of the Committee Substitute bill, the bill becomes a public bill.

Pursuant to Rule 43, the Committee Substitute bill is re-referred to the **Appropriations Committee**.

S.B. 1261, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 3617, which changes the title to read **S.B. 1261** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO UPDATE THE LIBRARY AUTOMATION SYSTEM FOR THE SANDHILL REGIONAL LIBRARY SYSTEM, is adopted and engrossed.

Pursuant to Rule 43, the Committee Substitute bill is re-referred to the **Appropriations Committee**.

S.B. 1281, A BILL TO BE ENTITLED AN ACT RELATING TO THE TWENTY-SECOND SENATORIAL DISTRICT, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 6845, which changes the title to read **S.B. 1281** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO COMMEMORATE THE BICENTENNIAL OF AMERICA'S FIRST GOLD DISCOVERY AND TO APPROPRIATE FUNDS FOR THE OBSERVANCE, is adopted and engrossed. Upon adoption of the Committee Substitute bill, the bill becomes a public bill.

Pursuant to Rule 43, the Committee Substitute bill is re-referred to the **Appropriations Committee**.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1274, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF GASTONIA TO WAIVE WATER AND SEWER SPECIAL ASSESSMENTS ON CERTAIN BENEFITED PROPERTY.

Referred to **Finance Committee.**

H.B. 1524 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE A FOUR-YEAR TERM FOR THE MAYOR OF MORGANTON AND TO MAKE TECHNICAL CORRECTIONS CONCERNING THAT OFFICE.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1541 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW CERTAIN COMMUNITY COLLEGES TO USE THE PROCEEDS FROM THE SALE OF REAL ESTATE DONATED TO THEM FOR THE PURPOSES INTENDED BY THE DONOR.

Referred to **Education/Higher Education Committee.**

H.B. 1554, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF MOUNT AIRY TO CONVEY CERTAIN DESCRIBED PROPERTY BY PRIVATE SALE.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1595, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF WRIGHTSVILLE BEACH TO ADOPT ORDINANCES REQUIRING SPRINKLER SYSTEMS IN CERTAIN BUILDINGS.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1596, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF WRIGHTSVILLE BEACH TO USE PROCEEDS FROM ON-STREET PARKING METERS IN THE SAME MANNER IN WHICH PROCEEDS FROM OFF-STREET PARKING FACILITIES ARE USED.

Referred to **State Government, Local Government, and Personnel Committee.**

CALENDAR

Bills on tonight's Calendar are taken up and disposed of, as follows:

S.B. 1333, A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF LANDIS, upon second reading.

The bill passes its second reading by roll-call vote, ayes 46, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler,

Purcell, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—46.

Voting in the negative: None.

The bill is ordered placed on the Calendar for tomorrow, Tuesday, June 23, upon third reading.

S.B. 1410 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN BOARD TO ANNEX AN AREA TO THE TOWN OF CHADBOURN, upon second reading.

The Committee Substitute bill passes its second reading by roll-call vote, ayes 46, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—46.

Voting in the negative: None.

The Committee Substitute bill is ordered placed on the Calendar for tomorrow, Tuesday, June 23, upon third reading.

S.B. 1494 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REGULATE HUNTING IN LEE COUNTY, upon second reading.

The Committee Substitute bill passes its second and third readings and is ordered sent to the House of Representative.

H.B. 1246, A BILL TO BE ENTITLED AN ACT TO MODIFY THE PURPOSES FOR WHICH DAVIE OCCUPANCY TAX PROCEEDS MAY BE USED AND TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE LAW, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

S.B. 1354 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS CRITICAL STATEWIDE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY AND DISTRIBUTION SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, WATER CONSERVATION PROJECTS, AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES, as amended, upon third reading.

Senator Webster offers Amendment No. 6, and subsequently withdraws the Amendment.

Senator Reeves offers Amendment No. 7, which amends Amendment No. 1, which is adopted (49-0).

Senator Webster offers Amendment No. 8, held to be material, which is adopted (50-0) constituting the first reading of the measure, changing the title to read **S.B. 1354** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE

STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS CRITICAL STATEWIDE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY AND DISTRIBUTION SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, WATER CONSERVATION PROJECTS, AND WATER REUSE PROJECTS, (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES, AND (3) FOR GRANTS OR LOANS FOR RURAL SCHOOLS FOR A SCHOOL WATER OR WASTEWATER PROJECT.

The Committee Substitute bill, as amended, is ordered placed on the Calendar for tomorrow, Tuesday, June 23, upon second reading.

Upon the appearance of Senator Rucho in the Chamber, the Chair acknowledges his presence and the leave of absence granted previously is withdrawn.

S.B. 1569 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO FURTHER PROMOTE DEVELOPMENT IN ALL AREAS OF THE STATE BY MODIFYING THE WILLIAM S. LEE QUALITY JOBS AND BUSINESS EXPANSION ACT, CREATING STATE DEVELOPMENT ZONES, PROVIDING FUNDS FOR INFRASTRUCTURE IN RURAL AND LESS PROSPEROUS AREAS, ENCOURAGING DEVELOPMENT OF AIR COURIER HUBS, AND ENCOURAGING DEVELOPMENT OF THE RECYCLING INDUSTRY IN TIER ONE COUNTIES, upon second reading.

Senator Webster offers Amendment No. 1.

Senator Hoyle rises to a point of order under Rule 57.1 as to the germaneness of Amendment No. 1 offered by Senator Webster.

The Senate recesses at 7:42 P.M. to reconvene at 7:47 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Senator Hoyle withdraws his inquiry as to the germaneness of Amendment No. 1 offered by Senator Webster to S.B. 1569.

On motion of Senator Hoyle, the Committee Substitute bill, with Amendment No. 1 pending, is withdrawn from tonight's Calendar and is re-referred to the **Finance Committee**.

COMMITTEE REFERRAL RECALL

S.B. 1565, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE REGISTRATION OF DEALERS IN POULTRY AND RATITES, TO PROHIBIT SPECIALTY MARKET OPERATORS FROM PERMITTING UNREGISTERED POULTRY OR RATITE DEALERS FROM OPERATING AT SPECIALTY MARKETS, AND TO APPROPRIATE FUNDS FOR THE ENFORCEMENT OF THESE REGISTRATION REQUIREMENTS, referred to the **Appropriations Committee** on June 17.

Pursuant to Rule 47(a), Senator Plyler offers a motion that the bill be withdrawn from the **Appropriations Committee** and re-referred to the

Agriculture/Environment/Natural Resources Committee, which motion prevails, with unanimous consent.

The Chair orders the bill withdrawn from the **Appropriations Committee** and refers the measure to the **Agriculture/Environment/Natural Resources Committee.**

The President recognizes the following pages serving in the Senate this week:

Sapna Banker, Raleigh; Britt Berry, Elizabeth City; Winifred Paige Bridgewater, Manteo; Kevin B. Brown, Ash; Aaron Cohen, Raleigh; Robyn Blair Cullipher, Bethel; Femi David-Yerumo, Durham; Sarah E. Deats, Youngsville; Ashley Ginn, Boone; Justin Guillory, Raleigh; Jessica Katherine Hubbard, Fuquay-Varina; C. Gray Johnsey, Jr., Kinston; Amy W. Johnson, Raleigh; Kristina Kakadelis, Pineville; Ashley Jo Leder, Whiteville; Hunter Smith Moore, Louisburg; Jane Elizabeth Pearson, Gastonia; Jason Scott Phipps, Stedman; Justin Bingham Pullen, Advance; Sarah Catherine Pullen, Advance; Kathryn Roebuck, Elizabeth City; Amanda Denise Switzer, Buxton; Abby Lane Warren, Williamston; Jack S. Warren III, Greenville; and Gabrielle N. Willis, Manteo.

On motion of Senator Basnight, seconded by Senator Horton, the Senate adjourns at 8:07 P.M. to meet tomorrow, Tuesday, June 23, at 3:00 P.M.

ONE HUNDRED FORTY-NINTH DAY

Senate Chamber
Tuesday, June 23, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, Lord, we'll admit it. All of us come into this world wanting to be number one. We love to be at the front of the class, at the top of the heap, the first in line.

"Being last doesn't come to us naturally. Sometimes we'll do almost anything to be number one. Teach us to walk a different path, Oh Lord, thinking of others before ourselves, reaching out beyond our close circle of friends to the unloved.

"There among those who are in need we shall also find You and come to a better understanding of Your words, 'The first shall be last and the last first.' Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Dalton and Senator Winner.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Monday, June 22, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Elizabeth Pascher Kanof from Raleigh, North Carolina, who is serving the Senate as Doctor of the Day, and

to Eric Johnson from Greenville, North Carolina, who is serving the Senate as Nurse of the Day.

Upon motion of Senators Horton, McDaniel, and Cochrane, the President extends the courtesies of the gallery to Forsyth County Commissioners Gloria Whisenhunt and Debra Conrad-Shrader, and to Assistant County Manager, Dennis McGovern.

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Kerr for the **Finance Committee**:

S.B. 77, A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO RECEIVE A REFUND ON SALES TAX PAID FOR ITEMS PURCHASED FROM THE CAPITAL OUTLAY FUND, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 9751, which changes the title to read **S.B. 77** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO RECEIVE REFUNDS OF SALES AND USE TAXES, is adopted and engrossed.

S.B. 1150, A BILL TO BE ENTITLED AN ACT TO MAKE PERMANENT THE REQUIREMENT THAT COUNTIES USE PART OF THE TWO HALF-CENT LOCAL SALES TAX PROCEEDS ONLY FOR PUBLIC SCHOOL CAPITAL OUTLAY PURPOSES, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill A870, which changes the title to read **S.B. 1150** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DELAY THE SUNSET OF THE REQUIREMENT THAT COUNTIES USE PART OF THE TWO HALF-CENT LOCAL SALES TAX PROCEEDS ONLY FOR PUBLIC SCHOOL CAPITAL OUTLAY PURPOSES, is adopted and engrossed.

S.B. 1569 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO FURTHER PROMOTE DEVELOPMENT IN ALL AREAS OF THE STATE BY MODIFYING THE WILLIAM S. LEE QUALITY JOBS AND BUSINESS EXPANSION ACT, CREATING STATE DEVELOPMENT ZONES, PROVIDING FUNDS FOR INFRASTRUCTURE IN RURAL AND LESS PROSPEROUS AREAS, ENCOURAGING DEVELOPMENT OF AIR COURIER HUBS, AND ENCOURAGING DEVELOPMENT OF THE RECYCLING INDUSTRY IN TIER ONE COUNTIES, with an unfavorable report as to Committee Substitute bill No. 1, but favorable as to Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Committee Substitute bill No. 2, 4692, which changes the title to read **S.B. 1569** (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT (1) TO ALLOW CERTAIN RECYCLING FACILITIES AN INVESTMENT TAX CREDIT, A REFUNDABLE INCOME TAX CREDIT, A SALES TAX REDUCTION FOR CRANES AND MATERIALS HANDLING EQUIPMENT, A SALES TAX REFUND FOR CONSTRUCTION MATERIALS, A SALES TAX EXEMPTION FOR ELECTRICITY, AND A PROPERTY TAX EXEMPTION FOR

RECYCLING PROPERTY; (2) TO ALLOW AIR COURIERS A SALES TAX REDUCTION FOR MATERIALS HANDLING EQUIPMENT USED AT A HUB, A SALES TAX EXEMPTION FOR AIRCRAFT LUBRICANTS AND PARTS USED AT A HUB, AND A PROPERTY TAX EXEMPTION FOR AIRCRAFT USED AT A HUB; (3) TO EXPAND THE INDUSTRIAL DEVELOPMENT FUND AND UTILITY ACCOUNT TO INCLUDE THE SAME BUSINESSES AS THE WILLIAM S. LEE ACT, TO EXPAND THE UTILITY ACCOUNT TO TIER TWO COUNTIES, TO RAISE THE MAXIMUM GRANT UNDER THE INDUSTRIAL DEVELOPMENT FUND, AND TO ALLOW LOCAL GOVERNMENTS TO USE PART OF THE INDUSTRIAL DEVELOPMENT FUND GRANT FUNDS TO ADMINISTER THE GRANT; (4) TO PROVIDE FOR THE DESIGNATION OF STATE DEVELOPMENT ZONES, TO PROVIDE A LOWER WAGE STANDARD, A HIGHER WORKER TRAINING CREDIT, A ZERO THRESHOLD FOR THE INVESTMENT TAX CREDIT, AND AN ADDITIONAL JOBS TAX CREDIT WITHIN ZONES, AND TO GIVE ZONES PRIORITY FOR COMMUNITY DEVELOPMENT BLOCK GRANTS; AND (5) TO AMEND THE WILLIAM S. LEE ACT BY EXPANDING THE CENTRAL ADMINISTRATIVE OFFICE CREDIT TO GROSS PREMIUMS TAXES AND TO JOBS CREATED BEFORE THE PROPERTY IS CONSTRUCTED, BY PROVIDING THAT THE INVESTMENT TAX CREDIT THRESHOLD APPLIES ONLY ONCE FOR A TWO-YEAR PROJECT, BY EXPANDING THE INVESTMENT TAX CREDIT TO OPERATING LEASES FOR PROJECTS OVER ONE HUNDRED FIFTY MILLION DOLLARS, BY EXPANDING THE RESEARCH AND DEVELOPMENT TAX CREDIT, BY SIMPLIFYING THE WORKER TRAINING TAX CREDIT, BY IMPOSING A FEE FOR INCENTIVE APPLICANTS, BY EXTENDING THE CREDIT CARRY FORWARD PERIOD FOR PROJECTS OVER ONE HUNDRED FIFTY MILLION DOLLARS, BY CLARIFYING THAT CREDITS ARE ALLOWED FOR BUSINESSES THAT ARE SOLD ONLY IF THERE IS IMMINENT CLOSURE OR AN EMPLOYEE BUYOUT, BY CLARIFYING THE METHOD OF CALCULATING THE INVESTMENT TAX CREDIT FOR LEASES, AND BY CLARIFYING THE DEFINITIONS OF THE TYPES OF BUSINESSES ELIGIBLE FOR INCENTIVES, is adopted and engrossed.

By Senator Albertson for the **Agriculture/Environment/Natural Resources Committee**:

S.B. 1303, A BILL TO BE ENTITLED AN ACT TO DIRECT THE COMMISSION FOR HEALTH SERVICES TO REQUIRE EACH NEW SEPTIC TANK SYSTEM TO USE AN EFFLUENT FILTER AND AN ACCESS DEVICE, TO DEVELOP STANDARDS FOR THESE DEVICES, TO ADOPT THESE REQUIREMENTS AND STANDARDS BY TEMPORARY RULES, AND TO CONSIDER WHETHER, FOR SYSTEMS THAT USE THESE NEW DEVICES, THE CURRENT REQUIREMENT THAT THE SITE MUST INCLUDE A SEPARATE REPAIR AREA CAN BE AMENDED, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill A869, which changes the title to read **S.B. 1303** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DIRECT THE COMMISSION FOR HEALTH SERVICES TO REQUIRE THAT EACH NEW SEPTIC TANK SYSTEM INCLUDE AN EFFLUENT FILTER AND AN ACCESS DEVICE, TO REQUIRE THE COMMISSION FOR HEALTH SERVICES TO

DEVELOP STANDARDS FOR THESE FILTERS AND DEVICES, AND TO ADOPT THESE STANDARDS AS TEMPORARY RULES, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, is adopted and engrossed.

By Senator Jenkins for the **Pensions & Retirement and Insurance Committee**:

S.B. 1180, A BILL TO BE ENTITLED AN ACT TO INCLUDE COUNTY FIRE MARSHALS IN THE FIREMEN'S AND RESCUE SQUAD WORKERS' PENSION FUND AND TO INCREASE THE MONTHLY PENSION FOR MEMBERS OF THE FIREMEN'S AND RESCUE SQUAD WORKERS' PENSION FUND, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill A868 is adopted and engrossed.

Pursuant to Rule 43, the Committee Substitute bill is re-referred to the **Appropriations Committee**.

S.B. 1465, A BILL TO BE ENTITLED AN ACT TO ALLOW MEMBERS OF THE LEGISLATIVE, LOCAL GOVERNMENTAL EMPLOYEES', AND TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEMS TO CHANGE THEIR DESIGNATED BENEFICIARIES AFTER RETIREMENT HAS BECOME EFFECTIVE UNDER CERTAIN CIRCUMSTANCES, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 6846 is adopted and engrossed.

Pursuant to Rule 43, the Committee Substitute bill is re-referred to the **Appropriations Committee**.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 321 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO CLARIFY AND MODIFY A 1994 ACT CONCERNING THE LEASE OF PROPERTY BY THE GOLDSBORO-WAYNE AIRPORT AUTHORITY, for concurrence in House Committee Substitute bill No. 2.

Referred to **State Government, Local Government, and Personnel Committee**.

H.B. 1453 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ASSIST THE ROWAN-SALISBURY SCHOOLS WITH THE EXPEDITING OF PUBLIC SCHOOL FACILITIES.

Referred to **State Government, Local Government, and Personnel Committee**.

H.B. 1475, A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF OCEAN ISLE BEACH.

Referred to **Finance Committee**.

H.B. 1540 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CONFORM THE CHARTER OF THE CITY OF HAVELOCK TO GENERAL LAW BY

PROVIDING FOR AN ELECTION TO FILL THE REMAINDER OF THE UNEXPIRED TERM OF A COUNCIL MEMBER WHEN THE VACANCY OCCURS DURING THE FIRST TWO YEARS OF A FOUR-YEAR TERM.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1591, A BILL TO BE ENTITLED AN ACT REQUIRING THE CONSENT OF ORANGE COUNTY BEFORE LAND IN THAT COUNTY MAY BE CONDEMNED OR ACQUIRED BY A UNIT OF LOCAL GOVERNMENT OUTSIDE THAT COUNTY.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1610, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE CITY OF NEW BERN TO CONVEY CERTAIN PROPERTY AT PRIVATE SALE.

Referred to **State Government, Local Government, and Personnel Committee.**

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.B. 1246, AN ACT TO MODIFY THE PURPOSES FOR WHICH DAVIE OCCUPANCY TAX PROCEEDS MAY BE USED AND TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE LAW.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1251, AN ACT TO PROVIDE STAGGERED TERMS FOR THE BOARD OF COMMISSIONERS OF THE TOWN OF LITTLETON AND TO PROVIDE A FOUR-YEAR TERM FOR THE MAYOR. (Became law upon ratification, June 22, 1998 - S.L. 1998-11.)

H.B. 1289, AN ACT PERMITTING THE ROWAN-SALISBURY BOARD OF EDUCATION TO CONVEY TO THE ROWAN COUNTY VOCATIONAL WORKSHOP, INC., ITS REMAINING INTEREST IN THE PROPERTY PREVIOUSLY CONVEYED TO THAT ENTITY. (Became law upon ratification, June 22, 1998 - S.L. 1998-12.)

H.B. 1407, AN ACT TO ALLOW THE TOWN OF NAGS HEAD TO ADOPT ORDINANCES REQUIRING SPRINKLER SYSTEMS IN CERTAIN BUILDINGS. (Became law upon ratification, June 22, 1998 - S.L. 1998-13.)

Upon the appearance of Senator Dalton in the Chamber, the Chair acknowledges his presence and the leave of absence granted previously is withdrawn.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1333, A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF LANDIS, upon third reading.

The bill passes its third reading by roll-call vote, ayes 49, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—49.

Voting in the negative: None.

The bill is ordered sent to the House of Representatives.

S.B. 1410 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ANNEX AN AREA TO THE TOWN OF CHADBOURN, upon third reading.

The bill passes its third reading by roll-call vote, ayes 49, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—49.

Voting in the negative: None.

The bill is ordered sent to the House of Representatives.

With unanimous consent, the President grants a leave of absence for the remainder of today's Session to Senator Dalton.

S.B. 1252 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SIMPLIFY AND MODIFY PRIVILEGE LICENSE AND EXCISE TAXES AND RELATED PERMIT FEES, upon second reading.

The Committee Substitute bill passes its second reading by roll-call vote, ayes 48, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—48.

Voting in the negative: None.

The Committee Substitute bill is ordered placed on the Calendar for tomorrow, Wednesday, June 24, upon third reading.

S.B. 1354 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS CRITICAL STATEWIDE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY AND DISTRIBUTION SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, WATER CONSERVATION PROJECTS,

AND WATER REUSE PROJECTS, (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES, AND (3) FOR GRANTS OR LOANS, FOR RURAL SCHOOLS FOR A SCHOOL WATER OR WASTEWATER PROJECT, as amended by a material amendment, upon second reading.

The Committee Substitute bill, as amended, passes its second reading by roll-call vote, ayes 47, noes 1, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Cochrane, Cooper, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—47.

Voting in the negative: Senator Clark—1.

The Committee Substitute bill, as amended, is ordered placed on the Calendar for tomorrow, Wednesday, June 24, upon third reading.

COMMITTEE REFERRAL RECALL

H.B. 1505, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE USE OF FUNDS APPROPRIATED FOR THE NORTH CAROLINA INDIAN CULTURAL CENTER AND TO ADD A SEAT ON THE BOARD OF THE NORTH CAROLINA INDIAN CULTURAL CENTER FOR A REPRESENTATIVE OF THE INDIANS OF PERSON COUNTY, referred to the **Appropriations Committee** on June 17.

Pursuant to Rule 47(a), Senator Plyler offers a motion that the bill be withdrawn from the **Appropriations Committee** and placed on the Calendar for Thursday, June 25, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Appropriations Committee** and places it on the Calendar for Thursday, June 25.

On motion of Senator Basnight, seconded by Senator Carrington, the Senate adjourns at 3:32 P.M. to meet tomorrow, Wednesday, June 24, at 2:00 P.M.

ONE HUNDRED FIFTIETH DAY

Senate Chamber
Wednesday, June 24, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Lord, we confess that our world has become too small, our imaginations too confined. Often with family, friends, and in our vocations, we expect to have happen today, that which happened yesterday. Forgive us when we plod along, searching for sameness rather than surprise.

"Today, give us the joy which comes when Your Spirit breathes into our lives, disrupting, intruding, bringing life.

"Enable us to see that everything in this world is not of our own devising because You are free to create, to change, and to move! Do so among us today. Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Carpenter.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Tuesday, June 23, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Harold Reiter Silberman from Durham, North Carolina, who is serving the Senate as Doctor of the Day, and to Judy Rafson from Durham, North Carolina, who is serving the Senate as Nurse of the Day.

The President of the Senate extends the courtesies of the gallery to Municipal Leaders from the various counties who are present in the gallery today, to the Student Highway Patrol Troopers and Trooper Leaders of North Carolina, and to David Sutton, Vice-Consul Information with the British Consulate-General in Atlanta, Georgia.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.B. 1222, AN ACT TO TRANSFER THE AREA OF MECKLENBURG COUNTY KNOWN AS MECK NECK TO IREDELL COUNTY.

CHAPTERED BILL

The Enrolling Clerk reports the following bill properly enrolled, assigned the following Chapter Number, and presented to the Office of the Secretary of State:

H.B. 1246, AN ACT TO MODIFY THE PURPOSES FOR WHICH DAVIE OCCUPANCY TAX PROCEEDS MAY BE USED AND TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE LAW. (Became law upon ratification, June 23, 1998 - S.L. 1998-14.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Jenkins for the **Pensions & Retirement and Insurance Committee**:

S.B. 1138, A BILL TO BE ENTITLED AN ACT TO ALLOW MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE

CREDIT FOR PROBATIONARY EMPLOYMENT WITH A LOCAL GOVERNMENT, with a favorable report.

S.B. 1517, A BILL TO BE ENTITLED AN ACT TO PERMIT RETIRED TEACHERS TO WORK AS SUBSTITUTE TEACHERS IN PUBLIC SCHOOLS OR AS TEACHERS IN LOW-PERFORMING PUBLIC SCHOOLS WITHOUT LOSING RETIREMENT BENEFITS, with a favorable report, as amended.

Pursuant to Rule 45.1 Committee Amendment No. 1 is adopted and engrossed.

On motion of Senator Jenkins, the bill, as amended, is re-referred to the **Appropriations Committee**.

By Senator Hoyle for the **Finance Committee**:

S.B. 1594, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE STATE BOARD OF EDUCATION TO SET TEACHER CERTIFICATION FEES, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 3632, which changes the title to read **S.B. 1594** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPOSE TEACHER CERTIFICATION FEES, is adopted and engrossed.

By Senator Miller for the **State Government, Local Government, and Personnel Committee:**

H.B. 1593 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXEMPT ALLEGHANY COUNTY AND THE TOWN OF SPARTA FROM CERTAIN LAWS RELATED TO THE CONSTRUCTION, PROCUREMENT, AND LEASING OF CRITICAL INFRASTRUCTURE NEEDS, with a favorable report.

S.B. 1104, A BILL TO BE ENTITLED AN ACT TO CHANGE THE BOUNDARIES OF THE LUMBERTON ECONOMIC DEVELOPMENT AND TOURIST DISTRICT, with a favorable report.

S.B. 1557, A BILL TO BE ENTITLED AN ACT TO PROVIDE DENTAL, VISION, AND HEARING BENEFITS FOR DEPENDENT CHILDREN UNDER THE AGE OF NINETEEN YEARS IN THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN, with a favorable report.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 124 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REDUCE THE WHITE GOODS DISPOSAL TAX RATE TO ONE RATE FOR ANY WHITE GOOD REGARDLESS OF WHETHER THE WHITE GOOD CONTAINS CHLOROFLUOROCARBONS, TO EXTEND THE WHITE GOODS DISPOSAL TAX SUNSET, TO ALTER THE DISTRIBUTION OF THE TAX PROCEEDS FROM THIS TAX, TO CLARIFY HOW THE COUNTIES MAY USE THE TAX PROCEEDS, AND TO LIMIT THE AMOUNT OF SURPLUS A COUNTY MAY ACCUMULATE BY

HOLDING FURTHER TAX DISTRIBUTIONS UNTIL THE SURPLUS IS REDUCED, for concurrence in the House Committee Substitute bill, which is placed on the Calendar for tomorrow, Thursday, June 25.

H.B. 1252 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT CRIMINAL PENALTIES IN TAX CASES SHALL BE REMITTED TO THE SCHOOL FUND OF THE COUNTY IN WHICH THE VIOLATION OCCURRED.

Referred to **Judiciary Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

H.B. 1278 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW CALDWELL, LENOIR, MITCHELL AND WAYNE COUNTIES TO ACQUIRE PROPERTY FOR USE BY THE COUNTY BOARDS OF EDUCATION.

Referred to **Education/Higher Education Committee** and upon a favorable report, re-referred to the **Finance Committee.**

H.B. 1362, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT TRANSFERRED SERVICE CREDITS MAY BE INCLUDED IN DETERMINING WHETHER A MEMBER OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM OR THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM MAY PURCHASE MILITARY SERVICE.

Referred to **Pensions & Retirement and Insurance Committee**.

H.B. 1401, A BILL TO BE ENTITLED AN ACT TO ADJUST THE BOUNDARIES OF THE TOWN OF PLEASANT GARDEN TO INCLUDE THE ENTIRE RIGHT-OF-WAY OF CERTAIN ROADS.

Referred to **State Government, Local Government, and Personnel Committee** and upon a favorable report, re-referred to the **Finance Committee.**

H.B. 1528 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF LONG BEACH TO LEVY AN ADDITIONAL TWO PERCENT OCCUPANCY TAX TO BE USED FOR BEACH RENOURISHMENT AND PROTECTION.

Referred to **Finance Committee**.

H.B. 1637 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SETTLE ANNEXATION LITIGATION BY REPEALING AN ANNEXATION ORDINANCE OF THE TOWN OF CAPE CARTERET.

Referred to **State Government, Local Government, and Personnel Committee**.

H.B. 1638 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXPAND FROM TEN PERCENT TO TWENTY-FIVE PERCENT OF THE PRIMARY CORPORATE LIMITS OF THE TOWN OF MOREHEAD CITY THAT MAY BE IN SATELLITE ANNEXATIONS.

Referred to **State Government, Local Government, and Personnel Committee** and upon a favorable report, re-referred to the **Finance Committee.**

REPORT TO GENERAL ASSEMBLY

A board, commission, or agency directed to report to the General Assembly submits a report which is ordered placed on file in the Legislative Library, as follows:

Pursuant to S.L. 1997-443, Section 11.73, the Office of the North Carolina Department of Health and Human Services submits the Study of Alternate Living Arrangements.

INTRODUCTION OF A RESOLUTION

Senator Soles offers a motion that Rule 40 be suspended to allow the introduction of the following joint resolution, which motion prevails, without objection.

S.J.R. 1597, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A JOINT RESOLUTION PROVIDING FOR THE CONFIRMATION OF THE APPOINTMENT OF SAMUEL JAMES ERVIN, IV MADE BY THE GOVERNOR TO MEMBERSHIP ON THE NORTH CAROLINA UTILITIES COMMISSION.

On motion of Senator Rand, the joint resolution is placed before the Senate for immediate consideration.

The joint resolution passes its second (49-0) and third readings and is ordered sent to the House of Representatives by special messenger.

The President relinquishes the gavel to Senator Basnight, President Pro Tempore, who presides in the absence of the Lieutenant Governor.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1252 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SIMPLIFY AND MODIFY PRIVILEGE LICENSE AND EXCISE TAXES AND RELATED PERMIT FEES, upon third reading.

The Committee Substitute bill passes its third reading by roll-call vote, ayes 48, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Basnight, Blust, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—48.

Voting in the negative: None.

The Committee Substitute bill is ordered sent to the House of Representatives.

S.B. 1354 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS CRITICAL STATEWIDE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY

AND DISTRIBUTION SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, WATER CONSERVATION PROJECTS, AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES, as amended, upon third reading.

On motion of Senator Kerr, the President *Pro Tempore* orders, without objection, the Committee Substitute bill temporarily displaced.

S.B. 1569 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT (1) TO ALLOW CERTAIN RECYCLING FACILITIES AN INVESTMENT TAX CREDIT, A REFUNDABLE INCOME TAX CREDIT, A SALES TAX REDUCTION FOR CRANES AND MATERIALS HANDLING EQUIPMENT, A SALES TAX REFUND FOR CONSTRUCTION MATERIALS, A SALES TAX EXEMPTION FOR ELECTRICITY, AND A PROPERTY TAX EXEMPTION FOR RECYCLING PROPERTY; (2) TO ALLOW AIR COURIERS A SALES TAX REDUCTION FOR MATERIALS HANDLING EQUIPMENT USED AT A HUB, A SALES TAX EXEMPTION FOR AIRCRAFT LUBRICANTS AND PARTS USED AT A HUB, AND A PROPERTY TAX EXEMPTION FOR AIRCRAFT USED AT A HUB; (3) TO EXPAND THE INDUSTRIAL DEVELOPMENT FUND AND UTILITY ACCOUNT TO INCLUDE THE SAME BUSINESSES AS THE WILLIAM S. LEE ACT, TO EXPAND THE UTILITY ACCOUNT TO TIER TWO COUNTIES, TO RAISE THE MAXIMUM GRANT UNDER THE INDUSTRIAL DEVELOPMENT FUND, AND TO ALLOW LOCAL GOVERNMENTS TO USE PART OF THE INDUSTRIAL DEVELOPMENT FUND GRANT FUNDS TO ADMINISTER THE GRANT; (4) TO PROVIDE FOR THE DESIGNATION OF STATE DEVELOPMENT ZONES, TO PROVIDE A LOWER WAGE STANDARD, A HIGHER WORKER TRAINING CREDIT, A ZERO THRESHOLD FOR THE INVESTMENT TAX CREDIT, AND AN ADDITIONAL JOBS TAX CREDIT WITHIN ZONES, AND TO GIVE ZONES PRIORITY FOR COMMUNITY DEVELOPMENT BLOCK GRANTS; AND (5) TO AMEND THE WILLIAM S. LEE ACT BY EXPANDING THE CENTRAL ADMINISTRATIVE OFFICE CREDIT TO GROSS PREMIUMS TAXES AND TO JOBS CREATED BEFORE THE PROPERTY IS CONSTRUCTED, BY PROVIDING THAT THE INVESTMENT TAX CREDIT THRESHOLD APPLIES ONLY ONCE FOR A TWO-YEAR PROJECT, BY EXPANDING THE INVESTMENT TAX CREDIT TO OPERATING LEASES FOR PROJECTS OVER ONE HUNDRED FIFTY MILLION DOLLARS, BY EXPANDING THE RESEARCH AND DEVELOPMENT TAX CREDIT, BY SIMPLIFYING THE WORKER TRAINING TAX CREDIT, BY IMPOSING A FEE FOR INCENTIVE APPLICANTS, BY EXTENDING THE CREDIT CARRY FORWARD PERIOD FOR PROJECTS OVER ONE HUNDRED FIFTY MILLION DOLLARS, BY CLARIFYING THAT CREDITS ARE ALLOWED FOR BUSINESSES THAT ARE SOLD ONLY IF THERE IS IMMINENT CLOSURE OR AN EMPLOYEE BUYOUT, BY CLARIFYING THE METHOD OF CALCULATING THE INVESTMENT TAX CREDIT FOR LEASES, AND BY CLARIFYING THE DEFINITIONS OF THE TYPES OF BUSINESSES ELIGIBLE FOR INCENTIVES, upon second reading.

Senator Basnight, President Pro Tempore, relinquishes the gavel to the President of the Senate, Lieutenant Governor Wicker, who presides.

Senator Allran offers Amendment No. 1.

Senator Ballance rises to a point of order under Rule 57.1 as to the germaneness of Amendment No. 1 offered by Senator Allran.

The Chair rules Amendment No. 1 offered by Senator Allran is not germane to the original bill.

Senator Shaw of Guilford offers Amendment No. 2.

The President orders, without objection, the Committee Substitute bill temporarily displaced, with Amendment No. 2 pending.

REPORT OF COMMITTEE

A standing committee report is submitted out of the regular order of business, a bill is read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Lucas for the **Children and Human Resources Committee:**

S.B. 1202, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE COUNTY CONVEYANCE OF SURPLUS AUTOMOBILES TO A NOT-FOR-PROFIT RECIPIENT FOR SUBSEQUENT CONVEYANCE TO WORK FIRST PARTICIPANTS, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 6849 is adopted and engrossed.

The Senate recesses at 3:15 P.M. to reconvene at 3:25 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

CALENDAR *(Continued)*

S.B. 1569 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT (1) TO ALLOW CERTAIN RECYCLING FACILITIES AN INVESTMENT TAX CREDIT, A REFUNDABLE INCOME TAX CREDIT, A SALES TAX REDUCTION FOR CRANES AND MATERIALS HANDLING EQUIPMENT, A SALES TAX REFUND FOR CONSTRUCTION MATERIALS, A SALES TAX EXEMPTION FOR ELECTRICITY, AND A PROPERTY TAX EXEMPTION FOR RECYCLING PROPERTY; (2) TO ALLOW AIR COURIERS A SALES TAX REDUCTION FOR MATERIALS HANDLING EQUIPMENT USED AT A HUB, A SALES TAX EXEMPTION FOR AIRCRAFT LUBRICANTS AND PARTS USED AT A HUB, AND A PROPERTY TAX EXEMPTION FOR AIRCRAFT USED AT A HUB; (3) TO EXPAND THE INDUSTRIAL DEVELOPMENT FUND AND UTILITY ACCOUNT TO INCLUDE THE SAME BUSINESSES AS THE WILLIAM S. LEE ACT, TO EXPAND THE UTILITY ACCOUNT TO TIER TWO COUNTIES, TO RAISE THE MAXIMUM GRANT UNDER THE INDUSTRIAL DEVELOPMENT FUND, AND TO ALLOW LOCAL GOVERNMENTS TO USE PART OF THE INDUSTRIAL DEVELOPMENT FUND GRANT FUNDS TO ADMINISTER THE GRANT; (4) TO PROVIDE FOR THE DESIGNATION OF STATE DEVELOPMENT ZONES, TO PROVIDE A LOWER WAGE STANDARD, A HIGHER WORKER TRAINING CREDIT, A ZERO THRESHOLD FOR THE INVESTMENT TAX CREDIT, AND AN

ADDITIONAL JOBS TAX CREDIT WITHIN ZONES, AND TO GIVE ZONES PRIORITY FOR COMMUNITY DEVELOPMENT BLOCK GRANTS; AND (5) TO AMEND THE WILLIAM S. LEE ACT BY EXPANDING THE CENTRAL ADMINISTRATIVE OFFICE CREDIT TO GROSS PREMIUMS TAXES AND TO JOBS CREATED BEFORE THE PROPERTY IS CONSTRUCTED, BY PROVIDING THAT THE INVESTMENT TAX CREDIT THRESHOLD APPLIES ONLY ONCE FOR A TWO-YEAR PROJECT, BY EXPANDING THE INVESTMENT TAX CREDIT TO OPERATING LEASES FOR PROJECTS OVER ONE HUNDRED FIFTY MILLION DOLLARS, BY EXPANDING THE RESEARCH AND DEVELOPMENT TAX CREDIT, BY SIMPLIFYING THE WORKER TRAINING TAX CREDIT, BY IMPOSING A FEE FOR INCENTIVE APPLICANTS, BY EXTENDING THE CREDIT CARRY FORWARD PERIOD FOR PROJECTS OVER ONE HUNDRED FIFTY MILLION DOLLARS, BY CLARIFYING THAT CREDITS ARE ALLOWED FOR BUSINESSES THAT ARE SOLD ONLY IF THERE IS IMMINENT CLOSURE OR AN EMPLOYEE BUYOUT, BY CLARIFYING THE METHOD OF CALCULATING THE INVESTMENT TAX CREDIT FOR LEASES, AND BY CLARIFYING THE DEFINITIONS OF THE TYPES OF BUSINESSES ELIGIBLE FOR INCENTIVES, upon second reading, temporarily displaced earlier.

Senator Shaw of Guilford withdraws Amendment No. 2.

Senator Shaw of Guilford offers Amendment No. 3.

Senator Hoyle offers a motion that Amendment No. 3 do lie upon the table, seconded by Senator Rand.

Senator Webster offers a substitute motion that S.B. 1569 lie upon the table, which motion is ruled out of order.

A division is called on Senator Hoyle's motion to table Amendment No. 3. The motion prevails (31-18) and Amendment No. 3 lies upon the table.

Senator Hoyle calls the previous question, seconded by Senator Rand. The call for the previous question is sustained.

The Committee Substitute bill No. 2 passes its second reading by roll-call vote, ayes 44, noes 5, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carrington, Cochrane, Cooper, Dalton, Dannelly, Forrester, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Soles, Warren, Weinstein, Wellons, and Winner—44.

Voting in the negative: Senators Clark, East, Foxx, Shaw of Guilford, and Webster—5.

The Committee Substitute bill No. 2 is ordered placed on the Calendar for tomorrow, Thursday, June 25, upon third reading.

REPORTS OF COMMITTEES

Standing committee reports are submitted out of the regular order of business, bills are read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Lucas for the **Children and Human Resources Committee:**

S.B. 1422, A BILL TO BE ENTITLED AN ACT TO EXTEND AND IMPROVE THE CABARRUS COUNTY WORK OVER WELFARE PROGRAM, with a favorable report, as amended.

Pursuant to Rule 45.1, Committee Amendment No. 1 is adopted and engrossed.

By Senator Winner for the **Education/Higher Education Committee:**

S.B. 1128, A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS TO ADMINISTER STANDARDIZED TESTS IN GRADES K-2, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 9754, which changes the title to read **S.B. 1128** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO USE VALID, AGE-APPROPRIATE STANDARDIZED TESTS IN SECOND GRADE, is adopted and engrossed.

S.B. 1424, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT CABARRUS MEMORIAL HOSPITAL MAY AWARD A BACCALAUREATE OR ADVANCED DEGREE TO GRADUATES OF ITS NURSING AND ALLIED HEALTH SCIENCES PROGRAMS AS APPROPRIATE, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill A874 is adopted and engrossed.

The President relinquishes the gavel to Senator Basnight, President Pro Tempore, who presides in the absence of the Lieutenant Governor.

CALENDAR *(Continued)*

S.B. 77 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO RECEIVE REFUNDS OF SALES AND USE TAXES, upon second reading.

Senator Allran offers Amendment No. 1.

Senator Winner rises to a point of order under Rule 57.1 as to the germaneness of Amendment No. 1 offered by Senator Allran.

The Chair rules that Amendment No. 1, offered by Senator Allran, is germane to the original bill.

Senator Winner requests a fiscal note on Amendment No. 1.

The Chair orders, without objection, the Committee Substitute bill temporarily displaced, with Amendment No. 1 pending.

S.B. 1150 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DELAY THE SUNSET OF THE REQUIREMENT THAT COUNTIES USE PART OF THE TWO HALF-CENT LOCAL SALES TAX PROCEEDS ONLY FOR PUBLIC SCHOOL CAPITAL OUTLAY PURPOSES, upon second reading.

The Committee Substitute bill passes its second (48-0) and third readings and is ordered sent to the House of Representatives.

S.B. 1303 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DIRECT THE COMMISSION FOR HEALTH SERVICES TO REQUIRE THAT EACH

NEW SEPTIC TANK SYSTEM INCLUDE AN EFFLUENT FILTER AND AN ACCESS DEVICE, TO REQUIRE THE COMMISSION FOR HEALTH SERVICES TO DEVELOP STANDARDS FOR THESE FILTERS AND DEVICES, AND TO ADOPT THESE STANDARDS AS TEMPORARY RULES, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, upon second reading.

The Committee Substitute bill passes its second (48-0) and third readings and is ordered sent to the House of Representatives.

S.B. 1354 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS CRITICAL STATEWIDE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS, LOANS, AND REVOLVING LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY AND DISTRIBUTION SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, WATER CONSERVATION PROJECTS, AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES, as amended, upon third reading, temporarily displaced earlier.

Senator Gulley offers Amendment No. 9, which amends Amendment No. 7, which is adopted (41-7).

Senator Reeves offers Amendment No. 10 which is adopted (47-1).

Senator Kerr offers Amendment No. 11, a perfecting amendment to Amendment No. 10, which is adopted (48-0).

The Committee Substitute bill, as amended, passes its third reading by roll-call vote, ayes 47, noes 1, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carrington, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Warren, Webster, Weinstein, Wellons, and Winner—47.

Voting in the negative: Senator Clark—1.

The Committee Substitute bill, as amended, is ordered engrossed and sent to the House of Representatives.

EXPLANATION OF VOTE

Pursuant to Rule 30, Senator Clark rises to explain his vote on Senate Bill 1354 as follows:

"Mr. President, fellow members of the Senate, today this Chamber by vote of 47 - 1, has approved S.B. 1354, Bonds/Critical Infrastructure Needs. Last Thursday I was leaning towards voting yes. When I arrived at my office Monday afternoon of this week, I had on my desk a copy of a June 18, 1998 memorandum from The Honorable Harlan A. Boyles, State Treasurer, addressed to Membership, General Assembly of North Carolina.

He asked that we consider certain priorities as we undertake to commit available funds and simultaneously consider additional State debt. From pages 2 and 3 I quote, 'Until we are ready and able to explain to the people of North Carolina that we knowingly have spent surplus funds of some $1.4 billion and have proposed to spend upwards of another one to two billion dollars in borrowed money, thus building upon an image of unwanted

tax, borrow and spend as though there is no day of reckoning.' Until we in State government recognize and reflect the concern of the people about the growing portion of their personal wealth taken from them through taxation and thus redirected away from their freedom to choose, with a clear conscious I could not vote to make an uncertain future more uncertain for my children, grandchildren and the more than 260,000 constituents of the 28th Senate District as well as the more than seven million citizens of North Carolina. For these reasons I voted "no" on S.B. 1354. Thank you, Mr. President."

CALENDAR *(Continued)*

S.B. 77 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO RECEIVE A REFUND ON SALES TAX PAID FOR ITEMS PURCHASED FROM THE CAPITAL OUTLAY FUND, upon second reading, temporarily displaced earlier with Amendment No. 1 pending.

Senator Winner offers a motion that Amendment No. 1 previously offered by Senator Allran, lie upon the table, seconded by Senator Gulley.

Senator Horton calls for the "ayes" and "noes" on the motion.

The motion prevails (29-19) as follows:

Voting in the affirmative: Senators Albertson, Ballance, Basnight, Cooper, Dalton, Dannelly, Gulley, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Warren, Weinstein, Wellons, and Winner—29.

Voting in the negative: Senators Allran, Ballantine, Blust, Carrington, Clark, Cochrane, East, Forrester, Foxx, Garwood, Hartsell, Horton, Ledbetter, McDaniel, Moore, Page, Rucho, Shaw of Guilford, and Webster—19.

The Committee Substitute bill passes its second reading (48-0) and third reading (48-0) readings and is ordered sent to the House of Representatives.

On motion of Senator Ballance, seconded by Senator Shaw of Cumberland, the Senate adjourns at 4:40 P.M. to meet tomorrow, Thursday, June 25, at 11:00 P.M.

ONE HUNDRED FIFTY-FIRST DAY

Senate Chamber
Thursday, June 25, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear Lord, when we become angry because we can't make others as we wish them to be, remind us that we can't even make ourselves as we wish to be.

"We can only accomplish much in our outer life of service when we put a corresponding emphasis upon our life of inner devotion to You!

"Our spiritual journey and positive influence on others is not an event that can be accomplished, dated, and enrolled. We move forward by Your grace and an openness to Your guidance. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Carpenter and Senator Dalton.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Wednesday, June 24, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Samuel Marvin Atkinson, Jr. from Greenville, North Carolina, who is serving the Senate as Doctor of the Day, and to Suella C. Klug from Burlington, North Carolina, who is serving the Senate as Nurse of the Day.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1594 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPOSE TEACHER CERTIFICATION FEES, upon second reading.

With unanimous consent, on motion of Senator Lee, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, July 1, upon second reading.

COMMITTEE REFERRAL RECALL

H.B. 1505, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE USE OF FUNDS APPROPRIATED FOR THE NORTH CAROLINA INDIAN CULTURAL CENTER AND TO ADD A SEAT ON THE BOARD OF THE NORTH CAROLINA INDIAN CULTURAL CENTER FOR A REPRESENTATIVE OF THE INDIANS OF PERSON COUNTY, referred to the **Appropriations Committee** on June 17.

Pursuant to Rule 47(a), Senator Plyler offers a motion that the bill be withdrawn from the **Appropriations Committee** and placed before the Senate for immediate consideration, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Appropriations Committee** and places it before the Senate for immediate consideration.

The Chair orders the bill temporarily displaced.

CALENDAR *(Continued)*

S.B. 1505, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES FOR DREDGING NORTHWEST CREEK MARINA, upon second reading.

With unanimous consent, on motion of Senator Perdue, the bill is withdrawn from today's Calendar, and is re-referred to the **Appropriations Committee**.

COMMITTEE REFERRAL RECALL

H.B. 1278, A BILL TO BE ENTITLED AN ACT TO ALLOW CALDWELL, LENOIR, MITCHELL AND WAYNE COUNTIES TO ACQUIRE PROPERTY FOR USE BY THE COUNTY BOARDS OF EDUCATION, referred to the **Education/Higher Education Committee** on June 24.

Pursuant to Rule 47(a), Senator Winner offers a motion that the bill be withdrawn from the **Education/Higher Education Committee** and re-referred to the **Finance Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Education/Higher Education Committee** and refers the measure to the **Finance Committee**.

S.B. 1517, A BILL TO BE ENTITLED AN ACT TO PERMIT RETIRED TEACHERS TO WORK AS SUBSTITUTE TEACHERS IN PUBLIC SCHOOLS OR AS TEACHERS IN LOW-PERFORMING PUBLIC SCHOOLS WITHOUT LOSING RETIREMENT BENEFITS, referred to the **Appropriations Committee** on June 24.

Pursuant to Rule 47(a), Senator Plyler offers a motion that the bill be withdrawn from the **Appropriations Committee** and re-referred to the **Pensions & Retirement and Insurance Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Appropriations Committee** and refers the measure to the **Pensions & Retirement and Insurance Committee**.

CALENDAR *(Continued)*

S.B. 1202 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE COUNTY CONVEYANCE OF SURPLUS AUTOMOBILES TO A NOT-FOR- PROFIT RECIPIENT FOR SUBSEQUENT CONVEYANCE TO WORK FIRST PARTICIPANTS, upon second reading.

Senator Horton offers Amendment No. 1 which is adopted (46-1).

The Committee Substitute bill passes its second (46-0) and third readings and is ordered engrossed and sent to the House of Representatives.

S.B. 1104, A BILL TO BE ENTITLED AN ACT TO CHANGE THE BOUNDARIES OF THE LUMBERTON ECONOMIC DEVELOPMENT AND TOURIST DISTRICT, upon second reading.

The bill passes its second (46-0) and third readings and is ordered sent to the House of Representatives.

S.B. 1422, A BILL TO BE ENTITLED AN ACT TO EXTEND AND IMPROVE THE CABARRUS COUNTY WORK OVER WELFARE PROGRAM, upon second reading, as amended by committee.

The bill as amended passes its second (46-0) and third readings and is ordered sent to the House of Representatives.

S.B. 1424 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT CABARRUS MEMORIAL HOSPITAL MAY AWARD A BACCALAUREATE OR ADVANCED DEGREE TO GRADUATES OF ITS NURSING AND ALLIED HEALTH SCIENCES PROGRAMS AS APPROPRIATE, upon second reading.

The Committee Substitute bill passes its second (46-0) and third readings and is ordered sent to the House of Representatives.

H.B. 1593 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXEMPT ALLEGHANY COUNTY AND THE TOWN OF SPARTA FROM CERTAIN LAWS RELATED TO THE CONSTRUCTION, PROCUREMENT, AND LEASING OF CRITICAL INFRASTRUCTURE NEEDS, upon second reading.

The Committee Substitute bill passes its second (46-0) and third readings and is ordered enrolled.

S.B. 1569 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO FURTHER PROMOTE DEVELOPMENT IN ALL AREAS OF THE STATE BY MODIFYING THE WILLIAM S. LEE QUALITY JOBS AND BUSINESS EXPANSION ACT, CREATING STATE DEVELOPMENT ZONES, PROVIDING FUNDS FOR INFRASTRUCTURE IN RURAL AND LESS PROSPEROUS AREAS, AND ENCOURAGING DEVELOPMENT OF AIR COURIER HUBS, upon third reading.

The Committee Substitute bill No. 2 passes its third reading by roll-call vote, ayes 43, noes 4, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carrington, Cochrane, Cooper, Dannelly, Forrester, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Soles, Warren, Weinstein, Wellons, and Winner—43.

Voting in the negative: Senators Clark, East, Foxx, and Shaw of Guilford—4.

The Committee Substitute bill No. 2 is ordered sent to the House of Representatives.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 1182, AN ACT TO REPEAL THE SUNSET ON CHILD SUPPORT FEDERAL REQUIREMENTS IN ORDER TO AVOID LOSS OF FEDERAL FUNDS FOR THE 1998-99 FISCAL YEAR UNDER THE CHILD SUPPORT IV-D ENFORCEMENT PROGRAM AND UNDER THE TEMPORARY ASSISTANCE TO NEEDY FAMILIES FEDERAL BLOCK GRANT.

CALENDAR *(Continued)*

S.B. 1128 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO USE VALID, AGE-APPROPRIATE STANDARDIZED TESTS IN SECOND GRADE, upon second reading.

The Committee Substitute bill passes its second (46-0) and third readings and is ordered sent to the House of Representatives.

S.B. 1138, A BILL TO BE ENTITLED AN ACT TO ALLOW MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE CREDIT FOR PROBATIONARY EMPLOYMENT WITH A LOCAL GOVERNMENT, upon second reading.

The bill passes its second (48-0) and third readings and is ordered sent to the House of Representatives.

H.B. 1505, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE USE OF FUNDS APPROPRIATED FOR THE NORTH CAROLINA INDIAN CULTURAL CENTER AND TO ADD A SEAT ON THE BOARD OF THE NORTH CAROLINA INDIAN CULTURAL CENTER FOR A REPRESENTATIVE OF THE INDIANS OF PERSON COUNTY, placed on the Calendar today and temporarily displaced earlier.

The bill passes its second (48-0) and third readings and is ordered enrolled.

S.B. 1557, A BILL TO BE ENTITLED AN ACT TO PROVIDE DENTAL, VISION, AND HEARING BENEFITS FOR DEPENDENT CHILDREN UNDER THE AGE OF NINETEEN YEARS IN THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN, upon second reading.

The bill passes its second (47-0) and third readings and is ordered sent to the House of Representatives.

S.B. 124 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REDUCE THE WHITE GOODS DISPOSAL TAX RATE TO ONE RATE FOR ANY WHITE GOOD REGARDLESS OF WHETHER THE WHITE GOOD CONTAINS CHLOROFLUOROCARBONS, TO EXTEND THE WHITE GOODS DISPOSAL TAX SUNSET, TO ALTER THE DISTRIBUTION OF THE TAX PROCEEDS FROM THIS TAX, TO CLARIFY HOW THE COUNTIES MAY USE THE TAX PROCEEDS, AND TO LIMIT THE AMOUNT OF SURPLUS A COUNTY MAY ACCUMULATE BY HOLDING FURTHER TAX DISTRIBUTIONS UNTIL THE SURPLUS IS REDUCED, for concurrence, which title changes upon concurrence.

The Senate concurs in the House Committee Substitute bill (47-0) and the measure is ordered enrolled.

COMMITTEE REFERRAL RECALL

S.B. 321, A BILL TO BE ENTITLED AN ACT TO CLARIFY AND MODIFY A 1994 ACT CONCERNING THE LEASE OF PROPERTY BY THE GOLDSBORO-WAYNE AIRPORT AUTHORITY, referred to the **State Government, Local Government, and Personnel Committee** on June 23.

Pursuant to Rule 47(a), Senator Miller offers a motion that the bill be withdrawn from the **State Government, Local Government, and Personnel Committee** and placed on the Calendar for Monday, June 29, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **State Government, Local Government, and Personnel Committee** and places it on the Calendar for Monday, June 29.

S.B. 1551, A BILL TO BE ENTITLED AN ACT TO GIVE CHARTER SCHOOLS THE SAME HIGHWAY USE TAX EXEMPTION AND MOTOR FUEL TAX EXEMPTION AS PUBLIC SCHOOLS, TO ALLOW CHARTER SCHOOLS TO ELECT TO PARTICIPATE IN THE NORTH CAROLINA TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, IN THE NORTH CAROLINA TEACHERS' AND STATE EMPLOYEES' MAJOR MEDICAL COMPREHENSIVE PLAN, OR BOTH, AND TO ESTABLISH A MEDIATION PROCESS BETWEEN CHARTER SCHOOLS AND LOCAL BOARDS OF EDUCATION, referred to the **Education/Higher Education Committee** on June 4.

Pursuant to Rule 47(a), Senator Lee offers a motion that the bill be withdrawn from the **Education/Higher Education Committee** and re-referred to the **Pensions & Retirement and Insurance Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Education/Higher Education Committee** and refers the measure to the **Pensions & Retirement and Insurance Committee.**

REPORT OF COMMITTEE

A standing committee report is submitted out of the regular order of business, bills are read by their titles, together with the report accompanying them, and take their place on the Calendar, as follows:

By Senator Kerr for the **Finance Committee**:

S.B. 1554, A BILL TO BE ENTITLED AN ACT TO AMEND THE EXCISE TAX ON CONTROLLED SUBSTANCES, with a favorable report.

S.B. 1199, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE TO DIRECT THE BOARD OF PHARMACY TO REFUND FEES ERRONEOUSLY COLLECTED, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 9756, which changes the title to read **S.B. 1199** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SET THE PUBLIC UTILITY REGULATORY FEE, TO SET THE INSURANCE REGULATORY CHARGE, TO INCREASE VARIOUS FEES, TO ESTABLISH A FEE FOR FAIRNESS HEARING CONDUCTED BY THE OFFICE OF THE SECRETARY OF STATE, TO INCREASE THE AUTOPSY FEE, AND TO REVISE AND PLACE INTO THE GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE WATER QUALITY PROGRAM, is adopted and engrossed.

On motion of Senator Basnight, seconded by Senator Soles, the Senate adjourns at 11:33 A.M. to meet Monday, June 29, at 7:00 P.M.

ONE HUNDRED FIFTY-SECOND DAY

Senate Chamber
Monday, June 29, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Almighty God, be real to each one of us this week, that we may become aware of how near You are and how practical Your help may be!

"Keep us from going through the motions or becoming frustrated when we try unsuccessfully to change others' minds.

"Instead, give us an adventuresome faith, a vitality for the weeks' work. Be the source of our energy and our vision we pray. Amen."

With unanimous consent, the President grants a leave of absence for tonight to Senator Soles.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, June 25, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Milton Douglas Quigless, Jr. from Raleigh, North Carolina, who is serving the Senate as Doctor of the Day, and to William Powell from Kittrell, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

H.B. 1505, AN ACT TO PROVIDE FOR THE USE OF FUNDS APPROPRIATED FOR THE NORTH CAROLINA INDIAN CULTURAL CENTER AND TO ADD A SEAT ON THE BOARD OF THE NORTH CAROLINA INDIAN CULTURAL CENTER FOR A REPRESENTATIVE OF THE INDIANS OF PERSON COUNTY.

The President of the Senate orders the bill sent to the Governor by special messenger.

The Enrolling Clerk reports the following bill duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.B. 1593, AN ACT TO EXEMPT ALLEGHANY COUNTY AND THE TOWN OF SPARTA FROM CERTAIN LAWS RELATED TO THE CONSTRUCTION, PROCUREMENT, AND LEASING OF CRITICAL INFRASTRUCTURE NEEDS.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

S.B. 1222, AN ACT TO TRANSFER THE AREA OF MECKLENBURG COUNTY KNOWN AS MECK NECK TO IREDELL COUNTY. (Became law upon ratification, June 24, 1998 - S.L. 1998-15.)

H.B. 989, AN ACT TO REMOVE THE FEE FOR THE SCHOOL ADMINISTRATORS' EXAM. (Became law upon approval of the Governor, June 25, 1998 - S.L. 1998-16.)

S.B. 1182, AN ACT TO REPEAL THE SUNSET ON CHILD SUPPORT FEDERAL REQUIREMENTS IN ORDER TO AVOID LOSS OF FEDERAL FUNDS FOR THE 1998-99 FISCAL YEAR UNDER THE CHILD SUPPORT IV-D ENFORCEMENT PROGRAM AND UNDER THE TEMPORARY ASSISTANCE TO NEEDY FAMILIES

FEDERAL BLOCK GRANT. (Became law upon approval of the Governor, June 25, 1998 - S.L. 1998-17.)

RECALL FROM ENROLLING OFFICE

S.B. 124 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REDUCE THE WHITE GOODS DISPOSAL TAX RATE TO ONE RATE FOR ANY WHITE GOOD REGARDLESS OF WHETHER THE WHITE GOOD CONTAINS CHLOROFLUOROCARBONS, TO REPEAL THE WHITE GOODS DISPOSAL TAX SUNSET, TO PROVIDE THAT WHITE GOODS TAX REVENUE THAT IS NOT NEEDED FOR THE MANAGEMENT OF DISCARDED WHITE GOODS MAY BE USED TO CLEAN UP ILLEGAL DUMP SITES, AND TO ALTER THE DISTRIBUTION OF THE TAX PROCEEDS FROM THIS TAX, ordered enrolled on June 25.

Senator Odom offers a motion that the House Committee Substitute bill be recalled from Enrolling so that the vote by which the Senate concurred may be reconsidered due to a technical error.

The President orders the House Committee Substitute bill recalled from Enrolling. Senator Cochrane rises to a point of order as to the authority of the President of the Senate to recall the bill from Enrolling without a vote of the Body. The President calls for a vote of the Body. The motion that the Senate recall the bill from Enrolling prevails (47-0).

Senator Odom offers a motion that the vote by which the Senate concurred be reconsidered. The motion prevails (48-0).

Senator Odom requests that the Senate not concur in the House Committee Substitute bill. The Senate fails to concur in the House Committee Substitute bill (0-49).

Senator Odom offers a motion that the Senate appoint conferees, which motion prevails (47-2).

The President *Pro Tempore* appoints Senator Odom, Chairman, and Senator Kinnaird as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action and requesting conferees.

COMMITTEE REFERRAL RECALL

S.B. 1334, A BILL TO BE ENTITLED AN ACT TO PROVIDE SALARY CONTINUATION BENEFITS FOR UNIVERSITY SYSTEM CAMPUS LAW ENFORCEMENT OFFICERS, referred to the **Appropriations Committee** on May 27.

Pursuant to Rule 47(a), Senator Perdue offers a motion that the bill be withdrawn from the **Appropriations Committee** and re-referred to the **Pensions & Retirement and Insurance Committee**, which motion prevails (49-0).

The Chair orders the bill withdrawn from the **Appropriations Committee** and refers the measure to the **Pensions & Retirement and Insurance Committee**.

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Plyler for the **Appropriations Committee**:

S.B. 620, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR

THE AID TO PUBLIC LIBRARIES FUND, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 6851, which changes the title to read **S.B. 620** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DIRECTOR OF THE BUDGET TO CONTINUE EXPENDITURES FOR THE OPERATION OF GOVERNMENT AT THE LEVEL IN EFFECT ON JUNE 30, 1998, AND TO EXTEND EXPIRING PROVISIONS OF LAW, is adopted and engrossed.

Senator Plyler offers a motion that the Committee Substitute bill be placed before the Senate for immediate consideration. The motion prevails (47-2) and is ruled a two-thirds majority vote.

The Committee Substitute bill passes its second (49-0) and third readings and is ordered, without objection, sent to the House of Representatives by special messenger.

REPORTS OF COMMITTEES *(Continued)*

By Senator Jenkins for the **Pensions & Retirement and Insurance Committee:**

S.B. 1463, A BILL TO BE ENTITLED AN ACT TO ENHANCE THE RETIREMENT BENEFITS PAYABLE FROM THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, THE LEGISLATIVE RETIREMENT SYSTEM, AND THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 6852 is adopted and engrossed.

Pursuant to Rule 43, the Committee Substitute bill is re-referred to the **Appropriations Committee**.

S.B. 1517, A BILL TO BE ENTITLED AN ACT TO PERMIT RETIRED TEACHERS TO WORK AS SUBSTITUTE TEACHERS IN PUBLIC SCHOOLS OR AS TEACHERS IN LOW-PERFORMING PUBLIC SCHOOLS WITHOUT LOSING RETIREMENT BENEFITS, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 9757 is adopted and engrossed.

On motion of Senator Jenkins, the Committee Substitute bill is re-referred to the **Appropriations Committee**.

By Senator Rand for the **Rules and Operations of the Senate Committee**:

S.B. 396, A BILL TO BE ENTITLED AN ACT RELATING TO CUMBERLAND COUNTY, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill A872, which changes the title to read **S.B. 396** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR DOWNTOWN REVITALIZATION BY ALLOWING A CREDIT FOR CONTRIBUTIONS FOR DEVELOPMENT ZONE PROJECTS, is adopted and engrossed.

On motion of Senator Rand, the Committee Substitute bill is re-referred to the **Appropriations Committee**.

CALENDAR

Bills and a resolution on tonight's Calendar are taken up and disposed of, as follows:

S.B. 1554, A BILL TO BE ENTITLED AN ACT TO AMEND THE EXCISE TAX ON CONTROLLED SUBSTANCES, upon second reading.

With unanimous consent, on motion of Senator Rand, the bill is withdrawn from tonight's Calendar and is placed on the Calendar for Thursday, July 2, upon second reading.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 124

House of Representatives
June 29, 1998

Mr. President:

Pursuant to your information that your Honorable Body failed to concur in House Committee Substitute to SB 124, A BILL TO BE ENTITLED AN ACT TO REDUCE THE WHITE GOODS DISPOSAL TAX RATE TO ONE RATE FOR ANY WHITE GOOD REGARDLESS OF WHETHER THE WHITE GOOD CONTAINS CHLOROFLUOROCARBONS, TO EXTEND THE WHITE GOODS DISPOSAL TAX SUNSET, TO ALTER THE DISTRIBUTION OF THE TAX PROCEEDS FROM THIS TAX, TO CLARIFY HOW THE COUNTIES MAY USE THE TAX PROCEEDS, AND TO LIMIT THE AMOUNT OF SURPLUS A COUNTY MAY ACCUMULATE BY HOLDING FURTHER TAX DISTRIBUTIONS UNTIL THE SURPLUS IS REDUCED, the Speaker has appointed as conferees on the part of the House,

Representative Mitchell,
Representative C. Wilson, and
Representative Howard

to act with a like committee on the part of the Senate to the end that the differences existing between the two bodies may be adjusted.

Respectfully,
S/Denise G. Weeks
Principal Clerk

CONFERENCE REPORT

S.B. 124 (Conference Report)

Senator Odom, for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **S.B. 124** (House Committee

Substitute), A BILL TO BE ENTITLED AN ACT TO REDUCE THE WHITE GOODS DISPOSAL TAX RATE TO ONE RATE FOR ANY WHITE GOOD REGARDLESS OF WHETHER THE WHITE GOOD CONTAINS CHLOROFLUOROCARBONS, TO EXTEND THE WHITE GOODS DISPOSAL TAX SUNSET, TO ALTER THE DISTRIBUTION OF THE TAX PROCEEDS FROM THIS TAX, TO CLARIFY HOW THE COUNTIES MAY USE THE TAX PROCEEDS, AND TO LIMIT THE AMOUNT OF SURPLUS A COUNTY MAY ACCUMULATE BY HOLDING FURTHER TAX DISTRIBUTIONS UNTIL THE SURPLUS IS REDUCED, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on S.B. 124, A BILL TO BE ENTITLED AN ACT TO REDUCE THE WHITE GOODS DISPOSAL TAX RATE TO ONE RATE FOR ANY WHITE GOOD REGARDLESS OF WHETHER THE WHITE GOOD CONTAINS CHLOROFLUOROCARBONS, TO EXTEND THE WHITE GOODS DISPOSAL TAX SUNSET, TO ALTER THE DISTRIBUTION OF THE TAX PROCEEDS FROM THIS TAX, TO CLARIFY HOW THE COUNTIES MAY USE THE TAX PROCEEDS, AND TO LIMIT THE AMOUNT OF SURPLUS A COUNTY MAY ACCUMULATE BY HOLDING FURTHER TAX DISTRIBUTIONS UNTIL THE SURPLUS IS REDUCED, House Committee Substitute Favorable 6/17/98, submit the following report:

The Senate concurs in the House Committee Substitute Favorable 6/17/98, and the House agrees to the same.

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: June 29, 1998.

S/Fountain Odom	S/Frank Mitchell
S/Eleanor Kinnaird	S/Connie Wilson
	S/Julia Howard
Conferees for the Senate	*Conferees for the House of Representatives*

On motion of Senator Odom which prevails (49-0), the rules are suspended and the Conference Report is placed before the Senate for immediate consideration, upon adoption.

The Chair rules that the Conference Report requires a call of the roll.

On motion of Senator Odom, the Conference Report is adopted on its second reading by roll-call vote, ayes 49, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore,

Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Warren, Webster, Weinstein, Wellons, and Winner—49.

Voting in the negative: None.

A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

REPORT OF COMMITTEE

A standing committee report is submitted out of the regular order of business, a bill is read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Cooper for the **Judiciary Committee**:

H.B. 1049 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO INCREASE THE PENALTY FOR CRUELTY TO ANIMALS, with an unfavorable report as to Committee Substitute bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 3148, which changes the title upon concurrence, to read **H.B. 1049** (Senate Committee Substitute) A BILL TO BE ENTITLED AN ACT TO INCREASE THE PENALTY FOR CRUELTY TO ANIMALS AND TO PROHIBIT GREYHOUND RACING IN NORTH CAROLINA, is adopted and engrossed.

On motion of Senator Cooper, the Senate Committee Substitute bill is re-referred to the **Appropriations Committee**.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages and a special message received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1277, A BILL TO BE ENTITLED AN ACT TO ALLOW THE PUBLIC WORKS COMMISSION OF THE CITY OF FAYETTEVILLE TO PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.

Referred to **Pensions & Retirement and Insurance Committee**.

H.B. 1355, A BILL TO BE ENTITLED AN ACT TO IMPROVE THE STATE PROCUREMENT PROCESS.

Referred to **Commerce Committee**.

H.B. 1380 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE LOCAL LAW ENFORCEMENT OFFICERS' ENTRY INTO ABC-LICENSED PREMISES IN CUMBERLAND COUNTY.

Referred to **Judiciary Committee**.

H.B. 1504 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF PEMBROKE.

Referred to **State Government, Local Government, and Personnel Committee** and upon a favorable report, re-referred to the **Finance Committee.**

H.B. 1525, A BILL TO BE ENTITLED AN ACT TO REPEAL THE ACT ESTABLISHING A SUPPLEMENTARY PENSION FUND FOR FIREMEN IN THE CITY OF LAURINBURG.

Referred to **Pensions & Retirement and Insurance Committee.**

H.B. 1538, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF SHARPSBURG TO PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM WITHOUT PROVIDING PRIOR SERVICE CREDITS TO ITS EMPLOYEES.

Referred to **Pensions & Retirement and Insurance Committee.**

H.B. 1622 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWNS OF WALLACE AND FAISON TO CONVEY CERTAIN PROPERTY AT A PRIVATE SALE.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1624, A BILL TO BE ENTITLED AN ACT TO REPEAL THE LAW PERMITTING THE TAKING OF CATFISH AND EELS IN TRAPS FROM THE HIGHWAY 258 BRIDGE TO THE OCCONEECHEE GUT IN NORTHAMPTON COUNTY.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1660, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF DURHAM TO PARTICIPATE IN THE COST OF STORM DRAINAGE IMPROVEMENTS ON PRIVATE PROPERTY AND TO ALLOW PRIVATE PARTIES TO PAY OVER TIME FOR THEIR PORTION OF THE COST OF THE IMPROVEMENTS.

Referred to **Finance Committee.**

H.B. 1661, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE AUTHORITY OF THE CITY OF DURHAM TO PROVIDE STATIONARY CONTAINER SERVICE TO HOUSING UNITS THAT QUALIFY FOR ROLL OUT CART SERVICE WITHOUT CHARGING ADDITIONAL FEES.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1319, A BILL TO BE ENTITLED AN ACT TO EXTEND FOR ONE YEAR THE DEADLINE FOR MATCHING COMMUNITY COLLEGE BOND FUNDS.

Pursuant to Rule 43, the bill is ordered held in the Office of the Principal Clerk pending referral to committee.

REPORT TO GENERAL ASSEMBLY

Agencies directed to report to the General Assembly submit a report which is ordered placed on file in the Legislative Library, as follows:

The Offices of the State Controller, the State Budget and Management Department, and the Department of Revenue, submit the Summary of Financial Condition of North Carolina, dated May 31, 1998.

CALENDAR *(Continued)*

S.J.R. 1084 (Committee Substitute), A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF J. MELVILLE BROUGHTON, JR., upon second reading.

On motion of Senator Rand, the Committee Substitute joint resolution is taken up out of its regular order of business, and on his further motion, the Committee Substitute joint resolution is placed before the Senate for immediate consideration.

Without objection, on motion of Senator Rand, the Committee Substitute joint resolution is read in its entirety.

Senator Basnight offers a motion that the remarks of the Senators memorializing the life and memory of J. Melville Broughton, Jr. be spread upon the Journal, as follows:

Senator Reeves:

"I remember the first time that I met Mr. Broughton, walking down the street, Fayetteville Street Mall, with his tall figure and cane. I had recently moved from Winston-Salem to here and was new to Raleigh, had not lived here for very long. And it wasn't so much what he said to me that day but it was the fact that a man of such distinction and stature would take the time to chat and talk with a young man who was new to the area. He took time out to inquire about my practice of law and what I was trying to do and where I was going. And I appreciated that. Of note, he was a willing servant of Governors of the State, and Presidents of these United States. I'm particularly interested in, and I wish that I had the chance to discuss this with Mr. Broughton, that he served on the Governor's Highway Commission under Luther Hodges from 1957-1961. It's a very important Highway Commission that brought about great reforms at the time, trying to push politics out of the DOT process. As such, he was part of a notable family in our area, and has done much to build North Carolina as we know it today, especially Raleigh. And I commend this resolution to your support. Thank you."

Senator Kerr:

"Thank you Mr. President, Ladies and Gentlemen of the Senate. I'm sorry that I wasn't prepared for this tonight but I'm just compelled to stand up and say that the Broughton family and the Kerr family have been in the battles, in the trenches, and friends for almost this past century. I certainly remember Dan Moore in '64 as the first gubernatorial race that I ever got into and probably one of the few winners that I've had since then, but he was a great Governor and certainly the Broughton family is one of the most distinguished families in the history in the political life, and the church life, and public service life of this State. I am sorry that we lost Mel. I have the pleasure of knowing his wife. She's from Henderson. She has Goldsboro contacts and they're wonderful people. I also have the pleasure of knowing two of his three children, and I would commend this joint resolution to you. Mel Broughton was always there with a kind word. He was always, as I recall, interested in the Farm Bureau, and did some excellent work here in the General Assembly, for his clients. And he always asked me about my mother and that was kind of special. He was concerned about your family. And I always remember in 1968 he went to my father's funeral in Warrenton, which was a nice thing to do. And he was just a fine person that continued on his family tradition in service. He was very well connected with the Episcopal church. I don't know how he switched from being a good Baptist, his family had a lot of connections with the Baptist church. I stuck with the Baptist Church and I guess maybe I haven't gotten my net worth up enough yet to switch but he loved Wake Forest and he was a great man, a great friend

of my father's, as his father was, and of mine, and his family are friends of mine and I honor them and I grieve with them in this loss. And I thank you.

Senator Wellons:

"I, too, have known the Broughton family for a long time and especially I think of him when my father-in-law died, who was a special friend. When Mr. Broughton went by our house and talked with my wife we talked about the funeral later. When we think of a gentleman, that is who we think of and I certainly want to stand up for this resolution. Thank you.

Senator Horton:

"Thank you Mr. President. Senator Reeves was entirely right when he characterized Mel stopping him and talking with him on the street, a young lawyer. But that was so like Mel Broughton. When you talked with him it was as if he thought you were the only thing on earth. He focused on that and you could tell that he really cared about people. This was true up and down the line of whatever social or economic strata, Mel Broughton was a truly loving people person. He was the soul of courtesy, delightful to be with, witty, great sense of humor and never lost, even when his health was waning, never lost his interest in his State. I remember when I came back here, the second reincarnation a few years ago, getting little notes from time to time on what was going on and advice, encouragement, things I really valued. We are going to miss him. He was one of that type of people that have made our State what it is. People who, for some strange antic reason, are simply in love with North Carolina. He was one of them and a special person. Thank you, Mr. President."

Senator Cooper:

"Mr. President, Members of the Senate, I became interested in politics probably during the 1964 gubernatorial campaign, the Moore/Richardson Pryor. I was a very young child then and really became interested in '68 with Scott/Broughton primary. I will never forget meeting Mr. Broughton as a child and echoing some of the comments that have been made tonight. He made me feel very special at that time. And he had the ability to look at you and make you really feel that he was only talking to you and that you had something interesting to say and that he was interested in what you had to say. And later on in my adult years, when I had the chance to speak with him, he made me feel the same way. Back when they ran gubernatorial campaigns in the 50's and 60's, they used to have campaign songs. And to this day, I remember every single word of the Mel Broughton campaign song. And I'm not going to sing it for you, although I could, but I'll tell you the words, if I can remember them now, because you can remember them when you sing them. But his went this way:

'Vote for Mel Broughton, he's making his stand.
Vote for Mel Broughton, he has the right plan.
From Manteo to Murphy, there's not a better man.
A Broughton vote is the vote you can understand.
Why settle for less when he has the best plan.
To be a great Governor it takes a great man.
He'll fulfill his promise to give us his all.
Broughton for Governor, he's answered our call.'

He never did get to be Governor, but he certainly contributed to many great things to this State."

Senator Lee:

"Mr. President, Members of the Senate, I met Mel Broughton in 1968 when I'd been invited to address the Democratic Party at the State Convention. And I was a young person, very nervous, breaking into politics at that time, and he was so impressed with the speech that I delivered to the Democratic Party, I remember his aid coming to me and asking if he could have my notes. I was made to feel special. I got to know him much better in 1972 when we were reorganizing the party, and worked very closely with him, and you can certainly identify the integrity and the strength of a person when there is heated debate. And some of those late evenings when we were debating hot issues that people disagreed with, this man was always there with a calming impact on, on the people in the room. I lost contact with him until I became, well, I came back to the Senate, and we were able to renew our friendship. During that time, and all of these years I've known him, I knew that he was a very gentle man, a man with a very calming ability, a man who always thought first about North Carolina, and was always ready to do what he could to encourage people to give their best. I'm glad that I had a chance to get to know him, and I thank the family for all of the contributions he made to this State."

Senator Basnight:

"Thank you Mr. President, Members of the Senate. Senator Cooper, it was in Manteo in 1968 when I nailed on the Manteo Community Center or the Dare County Community Center Mel Broughton signs, and it was slate roof, and with those nails I did a very good job of making sure that when the rains came, it leaked very well. He found out about that story and he asked me about it not many years ago, if it was true. And it certainly was true, and I did that because of a person that felt a great deal of, had a great deal of trust in, and that was Keith Fearing, who was a very close friend of Mr. Broughton's. And through that relationship and knowledge that he gave me of what this man meant to this State, had meant at that time, and was to continue to mean to all of us afterwards, made me proud to know and understand that to this day I worked for a North Carolinian that was great in many different ways, and I'm happy to be a part of this Body today to honor one of North Carolina's finest."

The Committee Substitute joint resolution passes its second reading (48-0) and third reading, unanimously with Members standing, and is ordered, without objection, sent to the House of Representatives by special messenger.

The President of the Senate extends the courtesies of the Gallery to the family of J. Melville Broughton, Jr., his wife, Marian Broughton; and son, Mel Broughton III.

S.B. 321 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO CLARIFY AND MODIFY A 1994 ACT CONCERNING THE LEASE OF PROPERTY BY THE GOLDSBORO-WAYNE AIRPORT AUTHORITY, for concurrence in House Committee Substitute bill No. 2.

The Senate concurs in House Committee Substitute bill No. 2 (48-0) and the measure is ordered enrolled.

S.B. 1199 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SET THE PUBLIC UTILITY REGULATORY FEE, TO SET THE INSURANCE REGULATORY CHARGE, TO INCREASE VARIOUS FEES, TO ESTABLISH A FEE FOR FAIRNESS HEARING CONDUCTED BY THE OFFICE OF THE SECRETARY OF STATE, TO INCREASE THE AUTOPSY FEE, AND TO REVISE AND PLACE

INTO THE GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE WATER QUALITY PROGRAM, upon second reading.

With unanimous consent, on motion of Senator Kerr, the Committee Substitute bill is withdrawn from tonight's Calendar and is placed on the Calendar for tomorrow, Tuesday, June 30, upon second reading.

The President recognizes the following pages serving in the Senate this week:

Cheryl Ann Allman, Concord; Emily Lynn Berns, Wake Forest; Victoria Jane Brown, Franklin; Stephen Christopher Charles, Goldsboro; Amber Alexandra Dailey, Garner; Brannon Dellinger, Denver; Laura Kathryn Drum, Lincolnton; Zachary Nathaniel Green, Raleigh; Mark Jefferson Hale, Jr., Kinston; Keri Maria Hall, Fayetteville; Jamie D. Harrison, Tarboro; Marjorie Brooke Hassell, Plymouth; Matthew David Hasty, Huntersville; Sallie Hedrick, Wake Forest; Floyd William Hollis, II, Columbia; Molly M. Jacobs, Gastonia; G. Daniel Jacobs, Jr., Gastonia; Lynn "Madison" Perry, Kinston; Mark Lawrence Powell, Camden; Carter Yates Spears, Stedman; Mary Summer Starling, Arden; Naget Anis Treish, Rocky Mount; Ryan Wagner, Wilmington; Su-Anne Ward, Rose Hill; and Brandon T. Wills, Fayetteville.

On motion of Senator Basnight, seconded by Senator Lucas, the Senate adjourns at 8:10 P.M. to meet tomorrow, Tuesday, June 30, at 10:00 A.M.

ONE HUNDRED FIFTY-THIRD DAY

Senate Chamber
Tuesday, June 30, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Gracious God, as the Senate prepares to present and consider the budget, we don't need to be reminded that this is a time of great prosperity in our State. You have blessed us richly. And yet, sometimes, we have the tendency to treat things as if they were our own, as if the world was ours to manage and manipulate as we please. Forgive our forgetfulness.

"Save us from our determination to have life on our terms rather than Your terms. Remind us of our utter dependence, not upon our own prudence and calculation but rather upon Your love and grace. In Your Name we pray, Amen." (Adopted from *Pulpit Resource*, July, August, September, 1998.)

With unanimous consent, the President grants leaves of absence for today to Senator Kinnaird and Senator Soles.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Monday, June 29, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. James Scarboro Bowman III from Durham, North Carolina, who is serving the Senate as Doctor of the Day, and to Janice Millns from Cary, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.B. 321, AN ACT TO CLARIFY AND MODIFY A 1994 ACT CONCERNING THE LEASE OF PROPERTY BY THE GOLDSBORO-WAYNE AIRPORT AUTHORITY.

S.B. 1466, AN ACT TO ALLOW THE EASTERN BAND OF CHEROKEE INDIANS TO PERFORM BUILDING INSPECTIONS ON TRIBAL LANDS.

CHAPTERED BILL

The Enrolling Clerk reports the following bill properly enrolled, assigned the following Chapter Number, and presented to the Office of the Secretary of State:

H.B. 1593, AN ACT TO EXEMPT ALLEGHANY COUNTY AND THE TOWN OF SPARTA FROM CERTAIN LAWS RELATED TO THE CONSTRUCTION, PROCUREMENT, AND LEASING OF CRITICAL INFRASTRUCTURE NEEDS. (Became law upon ratification, June 29, 1998 - S.L. 1998-18.)

REPORT OF COMMITTEE

A bill is reported from a standing committee, read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Jenkins for the **Pensions & Retirement and Insurance Committee**:

S.B. 1334, A BILL TO BE ENTITLED AN ACT TO PROVIDE SALARY CONTINUATION BENEFITS FOR UNIVERSITY SYSTEM CAMPUS LAW ENFORCEMENT OFFICERS, with a favorable report.

On motion of Senator Jenkins, the bill is re-referred to the **Appropriations Committee**.

INTRODUCTION OF A BILL

By Senators Horton, Allran, Ballance, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, Dalton, East, Forrester, Foxx, Garwood, Hartsell, Hoyle, Jenkins, Kerr, Kinnaird, Ledbetter, Lucas, Martin of Guilford, Martin of Pitt, McDaniel, Moore, Odom, Page, Phillips, Plyler, Purcell, Rand, Shaw of Cumberland, Shaw of Guilford, Warren, Webster and Weinstein:

S.B. 1598, A BILL TO BE ENTITLED AN ACT TO DISAPPROVE THE RULES RELATING TO RISK-BASED ASSESSMENT AND CORRECTIVE ACTION FOR LEAKING PETROLEUM UNDERGROUND STORAGE TANKS AND TO

REINSTATE THE AB/CDE CLASSIFICATION OF IMPACTS RESULTING FROM RELEASES FROM PETROLEUM UNDERGROUND STORAGE TANK.

Referred to **Agriculture/Environment/Natural Resources Committee**.

COMMITTEE REFERRAL

H.B. 1319, A BILL TO BE ENTITLED AN ACT TO EXTEND FOR ONE YEAR THE DEADLINE FOR MATCHING COMMUNITY COLLEGE BOND FUNDS, ordered held in the Office of the Principal Clerk on Monday, June 29, pending referral to committee.

Pursuant to Rule 43, Senator Rand, Chairman of the **Rules and Operations of the Senate Committee**, refers the bill to the **Appropriations Committee**.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1556, A BILL TO BE ENTITLED AN ACT TO EXTEND THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF DUNN.

Referred to **Finance Committee**.

H.B. 1567 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REDEFINE THE NEWSPAPERS ELIGIBLE TO ACCEPT LEGAL ADVERTISING IN ANSON COUNTY.

Referred to **State Government, Local Government, and Personnel Committee**.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1199 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SET THE PUBLIC UTILITY REGULATORY FEE, TO SET THE INSURANCE REGULATORY CHARGE, TO INCREASE VARIOUS FEES, TO ESTABLISH A FEE FOR FAIRNESS HEARING CONDUCTED BY THE OFFICE OF THE SECRETARY OF STATE, TO INCREASE THE AUTOPSY FEE, AND TO REVISE AND PLACE INTO THE GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE WATER QUALITY PROGRAM, upon second reading.

The President orders, without objection, the Committee Substitute bill temporarily displaced.

S.B. 124 (Conference Report), A BILL TO BE ENTITLED AN ACT TO REDUCE THE WHITE GOODS DISPOSAL TAX RATE TO ONE RATE FOR ANY WHITE GOOD REGARDLESS OF WHETHER THE WHITE GOOD CONTAINS CHLOROFLUOROCARBONS, TO EXTEND THE WHITE GOODS DISPOSAL TAX SUNSET, TO ALTER THE DISTRIBUTION OF THE TAX PROCEEDS FROM THIS TAX, TO CLARIFY HOW THE COUNTIES MAY USE THE TAX PROCEEDS, AND TO LIMIT THE AMOUNT OF SURPLUS A COUNTY MAY ACCUMULATE BY

HOLDING FURTHER TAX DISTRIBUTIONS UNTIL THE SURPLUS IS REDUCED, for adoption, upon third reading.

On motion of Senator Odom, the Senate adopts the Conference Report on its third reading by roll-call vote, ayes, 43, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Horton, Jenkins, Jordan, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Warren, Webster, Weinstein, Wellons, and Winner—43.

Voting in the negative: None.

The bill is ordered enrolled and sent to the Governor.

S.B. 1199 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SET THE PUBLIC UTILITY REGULATORY FEE, TO SET THE INSURANCE REGULATORY CHARGE, TO INCREASE VARIOUS FEES, TO ESTABLISH A FEE FOR FAIRNESS HEARING CONDUCTED BY THE OFFICE OF THE SECRETARY OF STATE, TO INCREASE THE AUTOPSY FEE, AND TO REVISE AND PLACE INTO THE GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE WATER QUALITY PROGRAM, upon second reading.

The Committee Substitute bill passes its second reading by roll-call vote, ayes 33, noes 15, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Carpenter, Carrington, Cooper, Dalton, Dannelly, Foxx, Gulley, Hoyle, Jenkins, Jordan, Kerr, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Warren, Weinstein, Wellons, and Winner—33.

Voting in the negative: Senators Blust, Clark, Cochrane, East, Forrester, Garwood, Hartsell, Horton, Ledbetter, McDaniel, Moore, Page, Rucho, Shaw of Guilford, and Webster—15.

The Committee Substitute bill is ordered placed on the Calendar for tomorrow, Wednesday, July 1, upon third reading.

The Senate recesses at 10:34 A.M. to reconvene at 2:00 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by Senator Ballantine.

The Senate recesses at 2:00 P.M. to reconvene at 3:00 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by Senator McDaniel.

The Senate recesses at 3:03 P.M. to reconvene at 3:15 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by Senator Lucas.

The Senate recesses at 3:13 P.M. to reconvene at 3:30 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

The President grants leaves of absence for the remainder of today's Session to Senator Jenkins and Senator Warren.

Upon the appearance of Senator Kinnaird in the Chamber, the Chair acknowledges her presence and the leave of absence granted previously is withdrawn.

REPORTS OF COMMITTEE *(Continued)*

By Senator Plyler for the **Appropriations Committee**:

S.B. 1366, A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE, with an unfavorable report as to bill, but favorable as to Committee Substitute bill, with amendments.

Pursuant to Rule 45.1, the Committee Substitute bill and Committee Amendments Nos. 1, 2, 3, 4, 5, and 6, are adopted and engrossed. The Committee Substitute bill, as amended and engrossed, is ordered placed on the Calendar for tomorrow, July 1, as a special order of business.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

S.B. 1327 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PRESERVE THE TAX-EXEMPT STATUS FOR PIPED NATURAL GAS SOLD BY MUNICIPALITIES, TO MAKE THE TAXES ON OTHER SALES OF PIPED NATURAL GAS MORE UNIFORM, TO ADJUST THE CITIES' DISTRIBUTION OF THE TAX PROCEEDS UNTIL JUNE 30, 2000, TO DIRECT THE REVENUE LAWS STUDY COMMITTEE TO DETERMINE THE IMPACT OF THE TAX ON THE DISTRIBUTION TO CITIES, AND TO DIRECT THE UTILITIES COMMISSION TO STUDY THE ISSUE OF TRANSPORTATION RATES, for concurrence in the House Committee Substitute.

On motion of Senator Dalton, the rules are suspended, without objection, and the House Committee Substitute bill is placed before the Senate for immediate consideration.

The Senate concurs in the House Committee Substitute bill (41-0) and the measure is ordered enrolled, and sent to the Governor by special messenger.

REPORT TO GENERAL ASSEMBLY

An agency directed to report to the General Assembly submits a report which is ordered placed on file in the Legislative Library, as follows:

The North Carolina Department of Health and Human Services submits its Annual Report of Charitable Fundraising Activities from May 1, 1997 - April 30, 1998.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 78 House of Representatives
June 30, 1998

Mr. President:

Pursuant to your message requesting the return of House Committee Substitute for SB 78, A BILL TO BE ENTITLED AN ACT AMENDING THE STATE PERSONNEL ACT TO ESTABLISH JURISDICTION FOR THE HEARING OF STATE EMPLOYEE SEXUAL HARASSMENT GRIEVANCES BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS AND THE STATE PERSONNEL COMMISSION, we hereby respectfully comply.

Respectfully,
S/Denise G. Weeks
Principal Clerk

The Senate recesses at 3:57 P.M. to reconvene at 6:00 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Upon the appearance of Senator Soles in the Chamber, the Chair acknowledges his presence and the leave of absence granted previously is withdrawn.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 1327, AN ACT TO PRESERVE THE TAX-EXEMPT STATUS FOR PIPED NATURAL GAS SOLD BY MUNICIPALITIES, TO MAKE THE TAXES ON OTHER SALES OF PIPED NATURAL GAS MORE UNIFORM, TO ADJUST THE CITIES' DISTRIBUTION OF THE TAX PROCEEDS UNTIL JUNE 30, 2000, TO DIRECT THE REVENUE LAWS STUDY COMMITTEE TO DETERMINE THE IMPACT OF THE TAX ON THE DISTRIBUTION TO CITIES, AND TO DIRECT THE UTILITIES COMMISSION TO STUDY THE ISSUE OF TRANSPORTATION RATES.

With unanimous consent, the President grants a leave of absence for the remainder of tonight's Session to Senator Horton.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A special message is received from the House of Representatives transmitting a bill which is read the first time and disposed of, as follows:

June 30, 1998

S.B. 620 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DIRECTOR OF THE BUDGET TO CONTINUE EXPENDITURES FOR THE OPERATION OF GOVERNMENT AT THE LEVEL IN EFFECT ON JUNE 30, 1998, AND TO EXTEND EXPIRING PROVISIONS OF LAW, for concurrence in House Committee Substitute and unengrossed Amendments Nos. 1, 2, 3, 4, and 5.

On motion of Senator Rand, the rules are suspended, without objection, and the House Committee Substitute bill and unengrossed Amendments are placed before the Senate for immediate consideration.

The Senate concurs in the House Committee Substitute bill, as amended, (39-0) and the measure is ordered enrolled and sent to the Governor by special messenger.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1505, AN ACT TO PROVIDE FOR THE USE OF FUNDS APPROPRIATED FOR THE NORTH CAROLINA INDIAN CULTURAL CENTER AND TO ADD A SEAT ON THE BOARD OF THE NORTH CAROLINA INDIAN CULTURAL CENTER FOR A REPRESENTATIVE OF THE INDIANS OF PERSON COUNTY. (Became law upon approval of the Governor, June 30, 1998 - S.L. 1998-19.)

S.B. 321, AN ACT TO CLARIFY AND MODIFY A 1994 ACT CONCERNING THE LEASE OF PROPERTY BY THE GOLDSBORO-WAYNE AIRPORT AUTHORITY. (Became law upon ratification, June 30, 1998 - S.L. 1998-20.)

S.B. 1466, AN ACT TO ALLOW THE EASTERN BAND OF CHEROKEE INDIANS TO PERFORM BUILDING INSPECTIONS ON TRIBAL LANDS. (Became law upon ratification, June 30, 1998 - S.L. 1998-21.)

S.B. 1327, AN ACT TO PRESERVE THE TAX-EXEMPT STATUS FOR PIPED NATURAL GAS SOLD BY MUNICIPALITIES, TO MAKE THE TAXES ON OTHER SALES OF PIPED NATURAL GAS MORE UNIFORM, TO ADJUST THE CITIES' DISTRIBUTION OF THE TAX PROCEEDS UNTIL JUNE 30, 2000, TO DIRECT THE REVENUE LAWS STUDY COMMITTEE TO DETERMINE THE IMPACT OF THE TAX ON THE DISTRIBUTION TO CITIES, AND TO DIRECT THE UTILITIES COMMISSION TO STUDY THE ISSUE OF TRANSPORTATION RATES. (Became law upon approval of the Governor, June 30, 1998 - S.L. 1998-22.)

On motion of Senator Basnight, seconded by Senator Reeves, the Senate adjourns at 7:33 P.M. subject to ratification of bills, to meet tomorrow, Wednesday, July 1, at 12:00 Noon.

ENROLLED BILLS

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 620 AN ACT TO AUTHORIZE THE DIRECTOR OF THE BUDGET TO CONTINUE EXPENDITURES FOR THE OPERATION OF GOVERNMENT AT THE

LEVEL IN EFFECT ON JUNE 30, 1998, AND TO EXTEND EXPIRING PROVISIONS OF LAW.

The Senate stands adjourned at 8:06 P.M.

ONE HUNDRED FIFTY-FOURTH DAY

Senate Chamber
Wednesday, July 1, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Bobby Hunter, Pastor of the Beulaville Baptist Church, Beulaville, North Carolina, as follows:

"Dear God, author of wisdom and guidance, the Great One that brings order out of confusion, the Almighty that uses the frail effort of man and woman to bring about good, may Your presence overwhelm and infuse this Body as they lead this great State in the pursuit of life, liberty, and happiness. In Jesus name, Amen."

PERSONAL PRIVILEGE

Senator Albertson is recognized for a point of personal privilege and announces the presence of his guests from Beulaville. The President instructs Senator Albertson to escort the Beulaville School 7th and 8th grade Junior Beta Club students to the Well of the Senate. Senator Albertson introduces each student, along with their parents, to the Senate. The names of the thirteen participants are as follows: Amanda Albertson (Senator Albertson's granddaughter), Jennifer Waller, Brittany Mobley, Ashley R. Kennedy, Jena Ross, Jessica Duff, Jennifer Dean, Brittany Hunter, Jessica Sumner, Leslie Edwards, Monica Rouse, Amanda Duff, and Melissa Batts. These students won 1st place in the State Junior Beta Group Talent Competition with a jazz dance routine which they performed for the Senate.

With unanimous consent, the President grants a leave of absence for today to Senator Hartsell.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Tuesday, June 30, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. William N. Bogey, Jr. from Greenville, North Carolina, who is serving the Senate as Doctor of the Day, and to Margaret Mullinix from Durham, North Carolina, who is serving the Senate as Nurse of the Day.

The Senate recesses at 12:24 P.M. to reconvene at 12:50 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Miller for the **State Government, Local Government, and Personnel Committee:**

H.B. 1290, A BILL TO BE ENTITLED AN ACT TO GRANT AUTHORITY TO THE TOWN OF WAYNESVILLE TO ADDRESS ABANDONED STRUCTURES IN THE SAME MANNER AS MUNICIPALITIES IN COUNTIES WITH A POPULATION OF OVER ONE HUNDRED SIXTY-THREE THOUSAND, with a favorable report.

H.B. 1338, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE JACKSON COUNTY TO REGULATE THE OPERATION OF PERSONAL WATERCRAFT, with a favorable report.

H.B. 1504 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF PEMBROKE, with a favorable report.

Pursuant to Rule 43, the bill is re-referred to the **Finance Committee**.

H.B. 1610, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE CITY OF NEW BERN TO CONVEY CERTAIN PROPERTY AT PRIVATE SALE, with a favorable report.

H.B. 1637 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SETTLE ANNEXATION LITIGATION BY REPEALING AN ANNEXATION ORDINANCE OF THE TOWN OF CAPE CARTERET, with a favorable report.

On motion of Senator Miller, the bill is re-referred to the **Finance Committee**.

H.B. 1638 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXPAND FROM TEN PERCENT TO TWENTY-FIVE PERCENT OF THE PRIMARY CORPORATE LIMITS OF THE TOWN OF MOREHEAD CITY THAT MAY BE IN SATELLITE ANNEXATIONS, with a favorable report.

Pursuant to Rule 43, the bill is re-referred to the **Finance Committee**.

H.B. 1639 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF NEWPORT TO LEASE A CERTAIN PIECE OF PROPERTY FOR TWENTY-FIVE YEARS, with a favorable report.

H.B. 1647, A BILL TO BE ENTITLED AN ACT TO AMEND THE CHARTER OF THE CITY OF ASHEVILLE TO DELETE THE REQUIREMENT THAT COUNCIL MEETINGS BE HELD AT LEAST ONCE EACH WEEK AND TO CHANGE THE

MANNER IN WHICH ORDINANCES ARE REVISED OR AMENDED, with a favorable report.

S.B. 1273, A BILL TO BE ENTITLED AN ACT TO CONFORM TO GENERAL LAW THE MANNER OF APPOINTMENT OF THE TOWN ATTORNEY OF KERNERSVILLE, with a favorable report.

By Senator Kerr for the **Finance Committee**:

H.B. 1274, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF GASTONIA TO WAIVE WATER AND SEWER SPECIAL ASSESSMENTS ON CERTAIN BENEFITED PROPERTY, with a favorable report.

H.B. 1278 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW CALDWELL, LENOIR, MITCHELL AND WAYNE COUNTIES TO ACQUIRE PROPERTY FOR USE BY THE COUNTY BOARDS OF EDUCATION, with a favorable report.

H.B. 1475, A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF OCEAN ISLE BEACH, with a favorable report.

H.B. 1556, A BILL TO BE ENTITLED AN ACT TO EXTEND THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF DUNN, with a favorable report.

H.B. 1594, A BILL TO BE ENTITLED AN ACT TO LIMIT THE LIABILITY OF THE TOWN OF COLUMBUS FOR REPAYMENT OF ERRONEOUS FRANCHISE TAX DISTRIBUTIONS, with a favorable report.

S.B. 1514, A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF HEMBY BRIDGE, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill A873 is adopted and engrossed.

H.B. 1284 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW ALEXANDER AND DAVIDSON COUNTIES TO ACQUIRE PROPERTY FOR USE BY THE COUNTY BOARDS OF EDUCATION, with an unfavorable report as to Committee Substitute bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 3153, which changes the title, upon concurrence, to read **H.B. 1284** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW ALEXANDER, DAVIDSON, AND DAVIE COUNTIES TO ACQUIRE PROPERTY FOR USE BY THE COUNTY BOARDS OF EDUCATION, is adopted and engrossed.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and

disposed of, as follows:

H.B. 1248 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO EXEMPT FROM INCOME TAX FEDERAL PAYMENTS TO TOBACCO ALLOTMENT HOLDERS, TOBACCO WORKERS, TOBACCO WAREHOUSE OWNERS, AND TOBACCO FARMERS AS COMPENSATION FOR LOSSES DUE TO FEDERAL LEGISLATION.

Referred to **Finance Committee**.

H.B. 1422, A BILL TO BE ENTITLED AN ACT TO REMOVE UNCONSTITUTIONAL RESTRICTIONS ON INDIVIDUAL INCOME TAX CREDITS FOR CHILD CARE AND FOR CONSTRUCTING DWELLINGS FOR THE HANDICAPPED.

Referred to **Finance Committee**.

H.B. 1737 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE CENTENNIAL CAMPUS AT NORTH CAROLINA STATE UNIVERSITY INCLUDES THE COLLEGE OF VETERINARY MEDICINE, TO CLARIFY THAT THE BOARD OF GOVERNORS HAS THE AUTHORITY TO DESIGNATE THE REAL ESTATE AND APPURTENANT FACILITIES THAT COMPRISE THE CENTENNIAL CAMPUS AT NORTH CAROLINA STATE UNIVERSITY, TO MODIFY THE AUTHORITY OF THE BOARD OF GOVERNORS WITH REGARD TO CERTAIN TYPES OF DISPOSITIONS OF CENTENNIAL CAMPUS PROPERTY, TO EXEMPT CERTAIN REAL ESTATE TRANSACTIONS ON THE CENTENNIAL CAMPUS FROM PAYMENT OF THE STATE LAND SERVICE CHARGE AND TO LIMIT THE NUMBER OF YEARS STATE PROPERTY CAN BE LEASED TO NINETY-NINE YEARS.

Referred to **Education/Higher Education Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

The President relinquishes the gavel to Senator Basnight, President Pro Tempore, who presides in the absence of the Lieutenant Governor.

Senator Basnight, President Pro Tempore, relinquishes the gavel to the President of the Senate, Lieutenant Governor Wicker, who presides.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1366 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE, upon second reading, as a special order of business.

Senator Perdue offers Amendment No. 1 which is adopted (45-2).

Senator Plyler offers Amendment No. 2 which is adopted (49-0).

Senator Shaw of Guilford offers Amendment No. 3.

The Senate recesses at 2:54 P.M. to reconvene at 3:20 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 124 House of Representatives
July 1, 1998

Mr. President:

Pursuant to your message that you have adopted the report of the Conferees on House Committee Substitute for SB 124, A BILL TO BE ENTITLED AN ACT TO REDUCE THE WHITE GOODS DISPOSAL TAX RATE TO ONE RATE FOR ANY WHITE GOOD REGARDLESS OF WHETHER THE WHITE GOOD CONTAINS CHLOROFLUOROCARBONS, TO EXTEND THE WHITE GOODS DISPOSAL TAX SUNSET, TO ALTER THE DISTRIBUTION OF THE TAX PROCEEDS FROM THIS TAX, TO CLARIFY HOW THE COUNTIES MAY USE THE TAX PROCEEDS, AND TO LIMIT THE AMOUNT OF SURPLUS A COUNTY MAY ACCUMULATE BY HOLDING FURTHER TAX DISTRIBUTIONS UNTIL THE SURPLUS IS REDUCED, it is ordered that a message be sent your Honorable Body with the information that the House has adopted the report of the Conferees, and you may order the bill enrolled.

Respectfully,
S/Denise Weeks
Principal Clerk

CALENDAR *(Continued)*

S.B. 1366 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE, with Amendment No. 3 pending.

Senator Plyler calls the previous question on the adoption of Amendment No. 3, seconded by Senator Rand.

Senator McDaniel calls for the "ayes" and "noes" on the question.

Senator Webster calls for division. The call is sustained, ayes 30, noes 19, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Basnight, Cooper, Dalton, Dannelly, Gulley, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Soles, Warren, Weinstein, Wellons, and Winner—30.

Voting in the negative: Senators Allran, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, East, Forrester, Foxx, Garwood, Horton, Ledbetter, McDaniel, Moore, Page, Rucho, Shaw of Guilford, and Webster—19.

Amendment No. 3 offered by Senator Shaw of Guilford fails of adoption (19-30).

Senator Blust offers Amendment No. 4. Senator Odom offers a motion that Amendment No. 4 lie upon the table, seconded by Senator Rand.

Senator Horton calls for "ayes" and "noes". The motion prevails ayes 31, noes 18, and Amendment No. 4 lies upon the table.

Voting in the affirmative: Senators Albertson, Ballance, Basnight, Cooper, Dalton, Dannelly, Gulley, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Soles, Warren, Weinstein, Wellons, and Winner—31.

Voting in the negative: Senators Allran, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, East, Forrester, Foxx, Garwood, Ledbetter, McDaniel, Moore, Page, Rucho, Shaw of Guilford, and Webster—18.

Senator Forrester offers Amendment No. 5. Senator Odom offers a motion that Amendment No. 5 lie upon the table, seconded by Senator Rand.

The motion prevails (29-19) and Amendment No. 5 lies upon the table.

Senator Allran offers Amendment No. 6.

Senator Odom offers a motion that Amendment No. 6 lie upon the table, seconded by Senator Rand.

Senator Horton calls for "ayes" and "noes". The motion prevails, ayes 30, noes 19, and Amendment No. 6 lies upon the table.

Voting in the affirmative: Senators Albertson, Ballance, Basnight, Cooper, Dalton, Dannelly, Gulley, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Soles, Warren, Weinstein, Wellons, and Winner—30.

Voting in the negative: Senators Allran, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, East, Forrester, Foxx, Garwood, Horton, Ledbetter, McDaniel, Moore, Page, Rucho, Shaw of Guilford, and Webster—19.

Senator Plyler calls the previous question on the passage of S.B. 1366 (Committee Substitute), seconded by Senator Rand. The call is sustained (30-18).

Senator Webster rises to object to third reading at the appropriate time. He subsequently withdraws his objection.

The Committee Substitute bill, as amended, passes its second (30-19) and third readings and is ordered engrossed and sent to the House of Representatives.

EXPLANATION OF VOTE

Pursuant to Rule 30, Senator Ballantine rises to explain his vote on Senate Bill 1366 (Committee Substitute) as follows:

"Ladies and Gentlemen of the Senate, for twenty-seven days we've been wearing these tags that say 'tax cuts held hostage', and they're still held hostage. The Appropriations Chairs talked about setting priorities for the State, and I agree. This bill should have been about setting priorities for the State. Another Appropriations Chair said this was about the golden spin of politics. This isn't about thirty-second ads, it's about philosophy. There is a fundamental difference between the Democrats and the Republicans. The Democrats spent 95% of the surplus, and the fundamental difference is the Republicans didn't want to spend the whole thing. We wanted to give the surplus back to the people, and you saw every single one of us vote that way. I think the people of North Carolina have made it clear when they knew we had a billion dollar budget, don't spend the whole thing, and the Democrats just did."

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation

to the Governor:

S.B. 124, AN ACT TO REDUCE THE WHITE GOODS DISPOSAL TAX RATE TO ONE RATE FOR ANY WHITE GOOD REGARDLESS OF WHETHER THE WHITE GOOD CONTAINS CHLOROFLUOROCARBONS, TO EXTEND THE WHITE GOODS DISPOSAL TAX SUNSET, TO ALTER THE DISTRIBUTION OF THE TAX PROCEEDS FROM THIS TAX, TO CLARIFY HOW THE COUNTIES MAY USE THE TAX PROCEEDS, AND TO LIMIT THE AMOUNT OF SURPLUS A COUNTY MAY ACCUMULATE BY HOLDING FURTHER TAX DISTRIBUTIONS UNTIL THE SURPLUS IS REDUCED.

CALENDAR *(Continued)*

S.B. 1199 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SET THE PUBLIC UTILITY REGULATORY FEE, TO SET THE INSURANCE REGULATORY CHARGE, TO INCREASE VARIOUS FEES, TO ESTABLISH A FEE FOR FAIRNESS HEARING CONDUCTED BY THE OFFICE OF THE SECRETARY OF STATE, TO INCREASE THE AUTOPSY FEE, AND TO REVISE AND PLACE INTO THE GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE WATER QUALITY PROGRAM, upon third reading.

The Committee Substitute bill passes its third reading by roll-call vote, ayes 35, noes 12, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Basnight, Carpenter, Carrington, Cooper, Dalton, Dannelly, Garwood, Gulley, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Soles, Warren, Weinstein, Wellons, and Winner—35.

Voting in the negative: Senators Ballantine, Blust, Clark, Cochrane, Forrester, Foxx, Horton, McDaniel, Moore, Rucho, Shaw of Guilford, and Webster—12.

The Committee Substitute bill is ordered sent to the House of Representatives.

S.B. 1594 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPOSE TEACHER CERTIFICATION FEES, upon second reading.

The Committee Substitute bill passes its second (40-8) and third readings and is ordered sent to the House of Representatives.

S.B. 78 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT AMENDING THE STATE PERSONNEL ACT TO ESTABLISH JURISDICTION FOR THE HEARING OF STATE EMPLOYEE SEXUAL HARASSMENT GRIEVANCES BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS AND THE STATE PERSONNEL COMMISSION, for concurrence in the House Committee Substitute bill, which title changes upon concurrence.

The Senate fails to concur in the House Committee Substitute bill (14-32).

Senator Ballance offers a motion that the Senate appoint conferees, which motion prevails.

The President *Pro Tempore* appoints Senator Ballance, Chairman, and Senators Winner, Kinnaird, Perdue, and McDaniel as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action and requesting conferees.

On motion of Senator Basnight, seconded by Senator Miller, the Senate adjourns at 4:37 P.M. to meet tomorrow, Thursday, July 2, at 9:00 A.M.

ONE HUNDRED FIFTY-FIFTH DAY

Senate Chamber
Thursday, July 2, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"God of Hope, there are great goals which the Senate intends to accomplish in this Session. But a thousand small obstacles must be completed to get them there.

"We pray that You will make Yourself present to the Senators even in the trivial that they may be patient, considerate of each other, and persevere.

"Our prayers are not always answered when we're given what we ask, but when we are challenged to be what we can be. To Your Glory we pray, Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Hartsell, Senator McDaniel, Senator Perdue, and Senator Winner.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Wednesday, July 1, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Marge Bye, State Area Health Education Center Liaison, who is serving the Senate as Nurse of the Day.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified, for presentation to the Governor:

S.B. 1093, AN ACT TO REQUIRE THE DEPARTMENT OF ADMINISTRATION TO CERTIFY THE BROAD FEASIBILITY OF STATE CONSTRUCTION PROJECTS AND MAKE THAT CERTIFICATION A PREREQUISITE TO FUNDING.

PERSONAL PRIVILEGE

Senator Jordan rises to a point of personal privilege and offers a motion that the report read in the Senate yesterday, written by Brooke Odom, age eight, granddaughter of Senator Odom, be spread upon the Journal, as written, as follows:

July 1, 1998

The School Buget
This is about our
North Carolina School Buget

Before N.C. steped up, kid's, diden't have a preschool. Back then, they'd go to someone's house to spend the day. Back then the teacher's were low, they hardly had any princeabl's at all!

But now North Carolina has stood up and set thing's right! Now when you send you'r children to school, the'll come home knowing their Fraction's, or, their shape's. Thanks to the senet and state govener, we have set thing's right!

Thank you all very much!
S/Brooke Odom

INTRODUCTION OF A RESOLUTION

A resolution filed for introduction is presented to the Senate, read the first time, and disposed of, as follows:

By Senator Soles:

S.J.R. 1599, A JOINT RESOLUTION PROVIDING FOR THE CONFIRMATION OF THE APPOINTMENT OF SAMUEL JAMES ERVIN, IV MADE BY THE GOVERNOR TO MEMBERSHIP ON THE NORTH CAROLINA UTILITIES COMMISSION.

Referred to **Commerce Committee**.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1594, A BILL TO BE ENTITLED AN ACT TO LIMIT THE LIABILITY OF THE TOWN OF COLUMBUS FOR REPAYMENT OF ERRONEOUS FRANCHISE TAX DISTRIBUTION, upon second reading.

With unanimous consent, on motion of Senator Carpenter, the bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, July 7, upon second reading.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 74 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE AN INDIVIDUAL INCOME TAX CREDIT FOR PREMIUMS PAID ON LONG-TERM CARE INSURANCE.

Referred to **Finance Committee**.

H.B. 1356 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO FACILITATE ELECTRONIC COMMERCE WITH AND BY PUBLIC AGENCIES OF THE STATE OF NORTH CAROLINA BY RECOGNIZING THE VALIDITY OF

ELECTRONIC SIGNATURES AND BY AUTHORIZING THE SECRETARY OF STATE TO REGULATE ELECTRONIC SIGNATURES AND CERTIFICATION AUTHORITIES.

Referred to **Judiciary Committee**.

H.J.R. 1758, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A BILL TO BE ENTITLED AN ACT PERTAINING TO THE DISPLAY OF THE UNITED STATES FLAG.

Referred to **Commerce Committee**.

REPORT TO GENERAL ASSEMBLY

An agency directed to report to the General Assembly submits a report which is ordered placed on file in the Legislative Library, as follows:

Pursuant to G. S. 58-87-1, the North Carolina Department of Insurance, Office of State Fire Marshall-Grants submits the 1998 Volunteer Fire Department Fund report.

CALENDAR *(Continued)*

H.B. 1284 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW ALEXANDER, DAVIDSON, AND DAVIE COUNTIES TO ACQUIRE PROPERTY FOR USE BY THE COUNTY BOARDS OF EDUCATION.

Senator Garwood offers Amendment No. 1.

The President orders, without objection, the Senate Committee Substitute bill temporarily displaced, with Amendment No. 1 pending.

S.B. 1514 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF HEMBY BRIDGE, upon second reading.

The Committee Substitute bill passes its second reading by roll-call vote, ayes 43, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Odom, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—43.

Voting in the negative: None.

The Committee Substitute bill is ordered placed on the Calendar for Tuesday, July 7, upon third reading.

H.B. 1278 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW CALDWELL, LENOIR, MITCHELL AND WAYNE COUNTIES TO ACQUIRE PROPERTY FOR USE BY THE COUNTY BOARDS OF EDUCATION, upon second reading.

The Committee Substitute bill passes its second reading by roll-call vote, ayes 43, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas,

Martin of Pitt, Martin of Guilford, Miller, Odom, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—43.

Voting in the negative: None.

The Committee Substitute bill is ordered placed on the Calendar for Tuesday, July 7, upon third reading.

H.B. 1475, A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF OCEAN ISLE BEACH, upon second reading.

The bill passes its second reading by roll-call vote, ayes 43, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Odom, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—43.

Voting in the negative: None.

The bill is ordered placed on the Calendar for Tuesday, July 7, upon third reading.

S.B. 1273, A BILL TO BE ENTITLED AN ACT TO CONFORM TO GENERAL LAW THE MANNER OF APPOINTMENT OF THE TOWN ATTORNEY OF KERNERSVILLE, upon second reading.

The bill passes its second and third readings and is ordered sent to the House of Representatives.

H.B. 1274, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF GASTONIA TO WAIVE WATER AND SEWER SPECIAL ASSESSMENTS ON CERTAIN BENEFITED PROPERTY, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1290, A BILL TO BE ENTITLED AN ACT TO GRANT AUTHORITY TO THE TOWN OF WAYNESVILLE TO ADDRESS ABANDONED STRUCTURES IN THE SAME MANNER AS MUNICIPALITIES IN COUNTIES WITH A POPULATION OF OVER ONE HUNDRED SIXTY-THREE THOUSAND, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1338, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE JACKSON COUNTY TO REGULATE THE OPERATION OF PERSONAL WATERCRAFT, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1556, A BILL TO BE ENTITLED AN ACT TO EXTEND THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF DUNN, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1610, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE CITY OF NEW BERN TO CONVEY CERTAIN PROPERTY AT PRIVATE SALE, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1639 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF NEWPORT TO LEASE A CERTAIN PIECE OF PROPERTY FOR TWENTY-FIVE YEARS, upon second reading.

The Committee Substitute bill passes its second and third readings and is ordered enrolled.

H.B. 1647, A BILL TO BE ENTITLED AN ACT TO AMEND THE CHARTER OF THE CITY OF ASHEVILLE TO DELETE THE REQUIREMENT THAT COUNCIL MEETINGS BE HELD AT LEAST ONCE EACH WEEK AND TO CHANGE THE MANNER IN WHICH ORDINANCES ARE REVISED OR AMENDED, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

S.B. 1554, A BILL TO BE ENTITLED AN ACT TO AMEND THE EXCISE TAX ON CONTROLLED SUBSTANCES, upon second reading.

With unanimous consent, on motion of Senator Rand, the bill is withdrawn from today's Calendar and is re-referred to the **Judiciary Committee**.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

S.B. 452 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO CLARIFY LOCAL GOVERNMENT AUTHORITY TO REGULATE THE LOCATION AND OPERATION OF SEXUALLY ORIENTED BUSINESSES, for concurrence in House Committee Substitute bill No. 2.

With unanimous consent, on motion of Senator Rand, the House Committee Substitute bill No. 2 is placed on the Calendar for Tuesday, July 7, for concurrence.

CALENDAR *(Continued)*

H.B. 1284 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW ALEXANDER, DAVIDSON, AND DAVIE COUNTIES TO ACQUIRE PROPERTY FOR USE BY THE COUNTY BOARDS OF EDUCATION, upon second reading, temporarily displaced earlier with Amendment No. 1 pending.

Amendment No. 1 offered by Senator Garwood is adopted (44-0) and changes the title to read **H.B. 1284** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW ALAMANCE, ALEXANDER, DAVIDSON, DAVIE, AND WILKES COUNTIES TO ACQUIRE PROPERTY FOR USE BY THE COUNTY BOARDS OF EDUCATION. The Amendment is held to be material, constituting the first reading of the measure.

On motion of Senator Rand, the Senate Committee Substitute bill, as amended, is placed on the Calendar for Tuesday, July 7, upon second reading.

On motion of Senator Basnight, seconded by Senator Hoyle, the Senate adjourns at 9:33 A.M. to meet Monday, July 6, at 7:00 P.M.

ONE HUNDRED FIFTY-SIXTH DAY

Senate Chamber
Monday, July 6, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Marc Basnight, President *Pro Tempore*, who presides in the absence of the Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Eternal God, we return from a weekend when our Nation has celebrated another anniversary of her independence. From sermons and fireworks to picnics and parades, we have heard the message, 'Let freedom ring.'

"But it has never been the task of the men and women of the Senate to legislate freedom. Their most difficult task has always been to legislate freedom's abuses, for scripture reminds us that there will always be those who use their freedom as a cloak of maliciousness.

"Give Your free and faithful servants here wisdom to protect our precious liberty. Amen."

With unanimous consent, the President *Pro Tempore* grants leaves of absence for tonight to Senator Jordan, Senator Lee, and Senator Winner.

Senator Rand announces the Journal of Thursday, July 2, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President *Pro Tempore* of the Senate extends courtesies of the floor to Dr. Bertram Watts Coffer from Raleigh, North Carolina, who is serving the Senate as Doctor of the Day, and to Barbara Rynerson from Chapel Hill, North Carolina, who is serving the Senate as Nurse of the Day.

The President Pro Tempore extends the privileges of the floor to Dennis Davis, former Senator from Cleveland County.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.B. 1274, AN ACT TO ALLOW THE CITY OF GASTONIA TO WAIVE WATER AND SEWER SPECIAL ASSESSMENTS ON CERTAIN BENEFITED PROPERTY.

H.B. 1290, AN ACT TO GRANT AUTHORITY TO THE TOWN OF WAYNESVILLE TO ADDRESS ABANDONED STRUCTURES IN THE SAME MANNER AS MUNICIPALITIES IN COUNTIES WITH A POPULATION OF OVER ONE HUNDRED SIXTY-THREE THOUSAND.

H.B. 1338, AN ACT TO AUTHORIZE JACKSON COUNTY TO REGULATE THE OPERATION OF PERSONAL WATERCRAFT.

H.B. 1556, AN ACT TO EXTEND THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF DUNN.

H.B. 1610, AN ACT TO AUTHORIZE THE CITY OF NEW BERN TO CONVEY CERTAIN PROPERTY AT PRIVATE SALE.

H.B. 1639, AN ACT TO ALLOW THE TOWN OF NEWPORT TO LEASE A CERTAIN PIECE OF PROPERTY FOR TWENTY-FIVE YEARS.

H.B. 1647, AN ACT TO AMEND THE CHARTER OF THE CITY OF ASHEVILLE TO DELETE THE REQUIREMENT THAT COUNCIL MEETINGS BE HELD AT LEAST ONCE EACH WEEK AND TO CHANGE THE MANNER IN WHICH ORDINANCES ARE REVISED OR AMENDED.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

S.B. 620, AN ACT TO AUTHORIZE THE DIRECTOR OF THE BUDGET TO CONTINUE EXPENDITURES FOR THE OPERATION OF GOVERNMENT AT THE LEVEL IN EFFECT ON JUNE 30, 1998, AND TO EXTEND EXPIRING PROVISIONS OF LAW. (Became law upon approval of the Governor, July 1, 1998 - S.L. 1998-23.)

S.B. 124, AN ACT TO REDUCE THE WHITE GOODS DISPOSAL TAX RATE TO ONE RATE FOR ANY WHITE GOOD REGARDLESS OF WHETHER THE WHITE GOOD CONTAINS CHLOROFLUOROCARBONS, TO EXTEND THE WHITE GOODS DISPOSAL TAX SUNSET, TO ALTER THE DISTRIBUTION OF THE TAX PROCEEDS FROM THIS TAX, TO CLARIFY HOW THE COUNTIES MAY USE THE TAX PROCEEDS, AND TO LIMIT THE AMOUNT OF SURPLUS A COUNTY MAY ACCUMULATE BY HOLDING FURTHER TAX DISTRIBUTIONS UNTIL THE SURPLUS IS REDUCED. (Became law upon approval of the Governor, July 1, 1998 - S.L. 1998-24.)

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1587, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF STANFIELD AND THE CITY OF LOCUST TO COLLECT UTILITY BILLS AS IF THEY WERE TAXES DUE THE TOWN AND THE CITY.

Referred to **Finance Committee.**

H.B. 1618 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO GRANT AUTHORITY TO THE CITY OF EDEN TO ADDRESS ABANDONED STRUCTURES IN THE SAME MANNER AS MUNICIPALITIES IN COUNTIES WITH A POPULATION OF OVER ONE HUNDRED SIXTY-THREE THOUSAND.

Referred to **State Government, Local Government, and Personnel Committee.**

H.B. 1625, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE CHAIR OF THE HALIFAX TOURISM DEVELOPMENT AUTHORITY SHALL BE ELECTED BY THE MEMBERS OF THE AUTHORITY.

Referred to **State Government, Local Government, and Personnel Committee.**

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 78

House of Representatives
July 2, 1998

Mr. President:

Pursuant to your information that your Honorable Body failed to concur in the House Committee Substitute for SB 78, A BILL TO BE ENTITLED AN ACT AMENDING THE STATE PERSONNEL ACT TO ESTABLISH JURISDICTION FOR THE HEARING OF STATE EMPLOYEE SEXUAL HARASSMENT GRIEVANCES BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS AND THE STATE PERSONNEL COMMISSION, the Speaker has appointed as conferees on the part of the House,

Representative Daughtry, Chair;
Representative Hardy,
Representative Esposito,
Representative Clary, and
Representative Crawford

to act with a like committee on the part of the Senate to the end that the differences existing between the two bodies may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

On motion of Senator Ballance, seconded by Senator McDaniel, the Senate adjourns at 7:09 P.M. to meet tomorrow, Tuesday, July 7, at 2:00 P.M.

ONE HUNDRED FIFTY-SEVENTH DAY

Senate Chamber
Tuesday, July 7, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Marc Basnight, President *Pro Tempore*, who presides in the absence of the Lieutenant Governor.

Prayer is offered by the Reverend Steve Lucas, Pastor of Trinity United Church of Christ, Concord, North Carolina, as follows:

"Loving Father, we come today confessing that we live by not one, but two golden rules.

"One version of this rule tells us to 'Do unto others as you would have them do unto you.' But the other version simply says, 'Those who have the gold rule.'

"Lord, it seems that we live most of our lives at sea, tossed back and forth on the gray, ambivalent ocean between the ideal and the real, between the twin shores of doing what we know we should do and doing what is easy to do, between these two very different golden rules.

"And we confess that all too frequently in this world, gold does rule, that to get anything done, even something good and benevolent, it seems that it almost always comes back to money.

"So as this Body completes the difficult work of raising and spending money on behalf of the people of this State, what we call finance and appropriations, my prayer today, Oh Guiding and Life-Giving God, is that You will help these servant-leaders to set their sails, not by the 'rule of gold,' but that You will instead fill up the sails of their consciences with the powerful wind of Your Spirit-

"Your benevolent, fair-play, golden-rule Spirit-

"So that all the passengers on board this ship we call North Carolina, can sail together across that ambivalent gray ocean into a future where all, all of God's children can have equal access to the economic, professional, educational, recreational and cultural riches our State has to offer, and when we do this Oh Lord, we will make the pledge which we all hold so dear, 'One nation, under God, indivisible, with liberty and justice for all,' not just the ideal, but that which is real. Amen."

With unanimous consent, the President *Pro Tempore* grants leaves of absence for today to Senator Jordan, Senator Martin of Pitt, and Senator Page.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Monday, July 6, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President *Pro Tempore* of the Senate extends courtesies of the floor to Dr. Damon Phillip Anagnos from Chapel Hill, North Carolina, who is serving the Senate as Doctor of the Day, and to Melanie Bunn from Raleigh, North Carolina, who is serving the Senate as Nurse of the Day.

The President Pro Tempore extends the courtesies of the gallery to Jimmy Hight, a former member of the Senate Sergeant-at-Arms staff, and to his mother, Mrs. Hight.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1274, AN ACT TO ALLOW THE CITY OF GASTONIA TO WAIVE WATER AND SEWER SPECIAL ASSESSMENTS ON CERTAIN BENEFITED PROPERTY. (Became law upon ratification, July 6, 1998 - S.L. 1998-25.)

H.B. 1290, AN ACT TO GRANT AUTHORITY TO THE TOWN OF WAYNESVILLE TO ADDRESS ABANDONED STRUCTURES IN THE SAME MANNER AS MUNICIPALITIES IN COUNTIES WITH A POPULATION OF OVER ONE HUNDRED SIXTY-THREE THOUSAND. (Became law upon ratification, July 6, 1998 - S.L. 1998-26.)

H.B. 1338, AN ACT TO AUTHORIZE JACKSON COUNTY TO REGULATE THE OPERATION OF PERSONAL WATERCRAFT. (Became law upon ratification, July 6, 1998 - S.L. 1998-27.)

H.B. 1556, AN ACT TO EXTEND THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF DUNN. (Became law upon ratification, July 6, 1998 - S.L. 1998-28.)

H.B. 1610, AN ACT TO AUTHORIZE THE CITY OF NEW BERN TO CONVEY CERTAIN PROPERTY AT PRIVATE SALE. (Became law upon ratification, July 6, 1998 - S.L. 1998-29.)

H.B. 1639, AN ACT TO ALLOW THE TOWN OF NEWPORT TO LEASE A CERTAIN PIECE OF PROPERTY FOR TWENTY-FIVE YEARS. (Became law upon ratification, July 6, 1998 - S.L. 1998-30.)

H.B. 1647, AN ACT TO AMEND THE CHARTER OF THE CITY OF ASHEVILLE TO DELETE THE REQUIREMENT THAT COUNCIL MEETINGS BE HELD AT LEAST ONCE EACH WEEK AND TO CHANGE THE MANNER IN WHICH ORDINANCES ARE REVISED OR AMENDED. (Became law upon ratification, July 6, 1998 - S.L. 1998-31.)

REPORT OF COMMITTEE

A bill is reported from a standing committee, read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Albertson for the **Agriculture/Environment/Natural Resources Committee**:

H.B. 1410, A BILL TO BE ENTITLED AN ACT TO EXTEND THE MORATORIUM ON ISSUING SHELLFISH CULTIVATION LEASES IN CORE SOUND, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE, with an unfavorable report as to bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 6459 is adopted and engrossed.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1462 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DIRECT THE COMMISSION FOR HEALTH SERVICES TO REQUIRE THAT EACH NEW SEPTIC TANK SYSTEM INCLUDE AN EFFLUENT FILTER AND AN ACCESS DEVICE, TO REQUIRE THE COMMISSION FOR HEALTH SERVICES TO DEVELOP STANDARDS FOR THESE FILTERS AND DEVICES, AND TO ADOPT THESE STANDARDS AS TEMPORARY RULES, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Agriculture/Environment/Natural Resources Committee.**

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1514 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF HEMBY BRIDGE, upon third reading.

The Committee Substitute bill passes its third reading by roll-call vote, ayes 46, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Kerr, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—46.

Voting in the negative: None.

The Committee Substitute bill is ordered sent to the House of Representatives.

H.B. 1278 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW CALDWELL, LENOIR, MITCHELL AND WAYNE COUNTIES TO ACQUIRE PROPERTY FOR USE BY THE COUNTY BOARDS OF EDUCATION, upon third reading.

The Committee Substitute bill passes its third reading by roll-call vote, ayes 42, noes 1, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Kerr, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Purcell, Rand, Reeves, Rucho, Shaw of Guilford, Warren, Webster, Weinstein, and Wellons—42.

Voting in the negative: Senator Winner—1.

The Committee Substitute bill is ordered enrolled.

H.B. 1594, A BILL TO BE ENTITLED AN ACT TO LIMIT THE LIABILITY OF THE TOWN OF COLUMBUS FOR REPAYMENT OF ERRONEOUS FRANCHISE TAX DISTRIBUTIONS, upon second reading.

With unanimous consent, on motion of Senator Carpenter, the bill is withdrawn from today's Calendar and is re-referred to the **Finance Committee**.

COMMITTEE REFERRAL RECALL

H.B. 1356 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO FACILITATE ELECTRONIC COMMERCE WITH AND BY PUBLIC AGENCIES OF THE STATE OF NORTH CAROLINA BY RECOGNIZING THE VALIDITY OF ELECTRONIC SIGNATURES AND BY AUTHORIZING THE SECRETARY OF STATE TO REGULATE ELECTRONIC SIGNATURES AND CERTIFICATION AUTHORITIES, referred to the **Judiciary Committee** on July 2.

Pursuant to Rule 47(a), Senator Cooper offers a motion that the Committee Substitute bill be withdrawn from the **Judiciary Committee** and re-referred to the **Commerce Committee**, which motion prevails with unanimous consent.

The Chair orders the Committee Substitute bill withdrawn from the **Judiciary Committee** and refers the measure to the **Commerce Committee**.

S.B. 873, A BILL TO BE ENTITLED AN ACT TO AMEND THE STATE TAX LAWS, referred to the **Rules and Operations of the Senate Committee** on April 15, 1997.

Pursuant to Rule 47(a), Senator Rand offers a motion that the bill be withdrawn from the **Rules and Operations of the Senate Committee** and re-referred to the **Finance Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Rules and Operations of the Senate Committee** and refers the measure to the **Finance Committee**.

CALENDAR *(Continued)*

H.B. 1475, A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF OCEAN ISLE BEACH, upon third reading.

The bill passes its third reading by roll-call vote, ayes, 46, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Kerr, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—46.

Voting in the negative: None.

The bill is ordered enrolled.

H.B. 1284 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW ALAMANCE, ALEXANDER, DAVIDSON, DAVIE, AND WILKES COUNTIES TO ACQUIRE PROPERTY FOR USE BY THE COUNTY BOARDS OF EDUCATION, as amended by a material amendment on July 6, upon second reading.

The Senate Committee Substitute bill, as amended, passes its second reading by roll-call vote, ayes, 44, noes 2, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Kerr, Ledbetter, Lee, Lucas,

Martin of Guilford, McDaniel, Miller, Moore, Odom, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—44.

Voting in the negative: Senators Perdue and Winner—2.

The Senate Committee Substitute bill, as amended, is ordered placed on the Calendar for tomorrow, Wednesday, July 8, upon third reading.

S.B. 452 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO CLARIFY LOCAL GOVERNMENT AUTHORITY TO REGULATE THE LOCATION AND OPERATION OF SEXUALLY ORIENTED BUSINESSES, for concurrence in House Committee Substitute bill No. 2, upon second reading.

The Chair rules that House Committee Substitute bill No. 2 does not require a call of the roll.

The Senate concurs in House Committee Substitute bill No. 2 (45-0) and the measure is ordered enrolled and sent to the Governor.

COMMITTEE REFERRAL RECALL

S.B. 396, A BILL TO BE ENTITLED AN ACT RELATING TO CUMBERLAND COUNTY, referred to the **Appropriations Committee** on June 29.

Pursuant to Rule 47(a), Senator Plyler offers a motion that the bill be withdrawn from the **Appropriations Committee** and re-referred to the **Finance Committee,** which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Appropriations Committee** and refers the measure to the **Finance Committee.**

The President recognizes the following pages serving in the Senate this week:

Justin Matthew Amos, Summerfield; Tyler Christopher Amos, Summerfield; Sarah Baker, Wake Forest; Alan Glenn Balog, Burlington; Alison Anne Bardinelli, Durham; Heather Leigh Carver, Gastonia; Stefanie Chua, Raleigh; Sarah Elizabeth Durr, Fayetteville; John R. Hall, Stanley; Charlotte Randall Isenhower, Newton; Renee' Esther Jackson, Charlotte; Tijan Frank Jarra, Rocky Mount; Shelby Kaplan, Cary; Dustin Alexander Parker, Raleigh; Justin Perry, Charlotte; Jason Scott, Fayetteville; Charles Joseph Smith, Cherryville; Carl Thomas Spann II, Morehead City; Amy Swanger, Clyde; Michael Trojan, Charlotte; Bret Michael Turner, Crouse; Philip Worsham, Raleigh; and Joshua Keith Yeargin, South Mills.

Upon motion of Senator Ballance, seconded by Senator Forrester, the Senate adjourns at 2:29 P.M. to meet tomorrow, Wednesday, July 8, at 2:00 P.M.

ONE HUNDRED FIFTY-EIGHTH DAY

Senate Chamber
Wednesday, July 8, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Frank Ballance, Deputy President *Pro Tempore,* who presides in the absence of the Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Our Father, ours is a world in a state of constant change. Often, trying to keep up leaves us anxious if not downright unprepared.

"It is comforting to know that in the midst of all this change we serve a changeless God. We are thankful that we can call upon You just as the heroes of our faith did when their world changed around them.

"So help us to bring about needed changes in our State for the benefit of those who live here without tearing down good foundations. Give us the wisdom to know the difference. In Your Holy Name we pray, Amen."

With unanimous consent, the Deputy President *Pro Tempore* grants leaves of absence for today to Senator Basnight and Senator Jordan.

Senator Rand announces the Journal of yesterday, Tuesday, July 7, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The Deputy President *Pro Tempore* of the Senate extends courtesies of the floor to Dr. Lynn Allen Hughes from Concord, North Carolina, who is serving the Senate as Doctor of the Day, and to Linda Moore from High Point, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 452, AN ACT TO CLARIFY LOCAL GOVERNMENT AUTHORITY TO REGULATE THE LOCATION AND OPERATION OF SEXUALLY ORIENTED BUSINESSES.

The Enrolling Clerk reports the following bills duly ratified, properly enrolled and presented to the Office of the Secretary of State:

S.B. 1166, AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FARMVILLE AND TO EXTEND THE TERMS OF THE MAYOR AND BOARD OF COMMISSIONERS OF THE TOWN OF LEGGETT FROM TWO TO FOUR YEARS.

H.B. 1278, AN ACT TO ALLOW CALDWELL, LENOIR, MITCHELL AND WAYNE COUNTIES TO ACQUIRE PROPERTY FOR USE BY THE COUNTY BOARDS OF EDUCATION.

H.B. 1475, AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF OCEAN ISLE BEACH.

REPORTS OF COMMITTEES

A resolution is reported from a standing committee, read by its title,

together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Soles for the **Commerce Committee:**

S.J.R. 1599, A JOINT RESOLUTION PROVIDING FOR THE CONFIRMATION OF THE APPOINTMENT OF SAMUEL JAMES ERVIN, IV MADE BY THE GOVERNOR TO MEMBERSHIP ON THE NORTH CAROLINA UTILITIES COMMISSION, with a favorable report.

With unanimous consent, on motion of Senator Soles, the joint resolution, is placed on the Calendar for Tuesday, July 14, upon second reading.

INTRODUCTION OF A RESOLUTION

A bill filed for introduction is presented to the Senate, read the first time, and disposed of, as follows:

By Senators Cochrane, Foxx, Kinnaird, Lucas, Perdue and Winner:

S.J.R. 1600, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A JOINT RESOLUTION HONORING LILLIAN E. CLEMENT, THE FIRST WOMAN TO SERVE IN THE NORTH CAROLINA GENERAL ASSEMBLY, ON THE SIXTIETH ANNIVERSARY OF THE NATIONAL FOUNDATION FOR WOMEN LEGISLATORS.

On motion of Senator Rand, the rules are suspended and the joint resolution is placed before the Senate for immediate consideration.

Senator Cochrane offers Amendment No. 1 which is adopted (44-0), and changes the title to read **S.J.R. 1600,** A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A JOINT RESOLUTION HONORING LILLIAN E. CLEMENT, THE FIRST WOMAN TO SERVE IN THE NORTH CAROLINA GENERAL ASSEMBLY, ON THE SIXTIETH ANNIVERSARY OF THE NATIONAL ORDER FOR WOMEN LEGISLATORS.

The joint resolution, as amended, passes its second (45-0) and third readings and is ordered engrossed and sent to the House of Representatives by special messenger.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 186, (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE GOVERNING BODY OF A TAXING UNIT MAY DELAY THE ACCRUAL OF INTEREST ON CERTAIN UNPAID PROPERTY TAXES, for concurrence in the House Committee Substitute.

Referred to **Finance Committee.**

S.B. 962 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE MENTAL HEALTH COMMITMENT LAW TO PROVIDE FOR VOLUNTARY ADMISSION OF PARENTS WHO ARE SUBSTANCE ABUSERS

AND THEIR CHILDREN UNDER AGE THREE, for concurrence in the House Committee Substitute, which is placed on the Calendar for tomorrow, Thursday, July 9.

H.B. 1405 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND SMALL CLAIMS PROCEDURE TO CLARIFY THAT THE DISTRICT COURT HAS AUTHORITY TO HEAR CERTAIN MOTIONS FOR RELIEF FROM MAGISTRATES' JUDGMENTS.

Referred to **Judiciary Committee**.

H.B. 1497 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF CRANBERRY.

Referred to **Rules and Operations of the Senate Committee.**

H.B. 1522, A BILL TO BE ENTITLED AN ACT TO ALLOW MEMBERS OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE SERVICE RENDERED AS A PART-TIME TEACHER OR STATE EMPLOYEE AND TO ALLOW MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE SERVICE RENDERED AS A LOCAL GOVERNMENTAL EMPLOYEE.

Referred to **Pensions & Retirement and Insurance Committee** and upon a favorable report, re-referred to the **Appropriations Committee.**

H.B. 1611, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE PART OF THE CARTERET/CRAVEN COUNTY BOUNDARY MODIFIED BY CHAPTER 207 OF THE 1993 SESSION LAWS NOW THAT THE SURVEY REQUIRED BY THAT ACT HAS BEEN MADE.

Referred to **Finance Committee**.

REPORTS OF COMMITTEES *(Continued)*

By Senator Kerr for the **Finance Committee**:

H.B. 1504 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF PEMBROKE, with a favorable report.

H.B. 1637 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SETTLE ANNEXATION LITIGATION BY REPEALING AN ANNEXATION ORDINANCE OF THE TOWN OF CAPE CARTERET, with a favorable report.

H.B. 1638 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXPAND FROM TEN PERCENT TO TWENTY-FIVE PERCENT OF THE PRIMARY CORPORATE LIMITS OF THE TOWN OF MOREHEAD CITY THAT MAY BE IN SATELLITE ANNEXATIONS, with a favorable report.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1284 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW ALAMANCE, ALEXANDER, DAVIDSON, DAVIE, AND WILKES COUNTIES TO ACQUIRE PROPERTY FOR USE BY THE COUNTY BOARDS OF EDUCATION, upon third reading, as amended upon second reading.

The Senate Committee Substitute bill, as amended, passes its third reading by roll-call vote, ayes, 47, noes 1, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—47.

Voting in the negative: Senator Winner—1.

The Senate Committee Substitute bill, as amended, is ordered engrossed and sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 1410 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXTEND THE MORATORIUM ON ISSUING SHELLFISH CULTIVATION LEASES IN CORE SOUND, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE, upon second reading.

The Senate Committee Substitute bill passes its second (48-0) and third readings and is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

COMMITTEE REFERRAL RECALL

S.B. 1407, A BILL TO BE ENTITLED AN ACT TO PROVIDE BENEFITS UNDER THE REGISTERS OF DEEDS' SUPPLEMENTAL PENSION FUND ACT TO REGISTERS OF DEEDS WHO ARE OTHERWISE NOT ELIGIBLE SOLELY BECAUSE THE COUNTY DOES NOT PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, referred to the **Appropriations Committee** on June 17.

Pursuant to Rule 47(a), Senator Plyler offers a motion that the bill be withdrawn from the **Appropriations Committee** and placed on the Calendar for Tuesday, July 14, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Appropriations Committee** and placed on the Calendar for Tuesday, July 14.

REPORT OF COMMITTEE

A standing committee report is submitted out of the regular order of business, the bill is read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Kerr for the **Finance Committee**:

S.B. 1300, A BILL TO BE ENTITLED AN ACT TO SET THE INSURANCE REGULATORY CHARGE FOR CALENDAR YEAR 1998, TO AMEND PROVISIONS IN THE INSURANCE LAWS DEALING WITH EXAMINATIONS OF INSURANCE COMPANIES AND AUDITS OF THEIR FINANCIAL STATEMENTS, AND TO

CLARIFY THE LAW ON INSURERS' FUNDING AGREEMENT RESERVES, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 8844, which changes the title to read **S.B. 1300** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND PROVISIONS IN THE INSURANCE LAWS DEALING WITH EXAMINATIONS OF INSURANCE COMPANIES AND AUDITS OF THEIR FINANCIAL STATEMENTS AND TO CLARIFY THE LAW ON INSURERS' FUNDING AGREEMENT RESERVES, is adopted and engrossed.

With unanimous consent, on motion of Senator Kerr, the bill is placed on the Calendar for Tuesday, July 14, for second reading.

Upon motion of Senator Plyler and Senator Purcell, the Deputy President Pro Tempore extends the courtesies of the gallery to Judy Stevens of the Montgomery County Economics Department; Erica Stacey, President of the Montgomery County Chamber of Commerce; and Cathy Harris of Montgomery Community College in Montgomery County.

Upon motion of Senator Jenkins, the Deputy President Pro Tempore extends the courtesies of the gallery to Ed Broadwell, a member of the UNC Board of Governors.

PERSONAL PRIVILEGE

Senator Albertson rises for a point of privilege to share remarks concerning Representative Bobby Hunter.

With unanimous consent, on motion of Senator Dalton, the remarks of Senator Albertson regarding Representative Hunter are spread upon the Journal, as follows:

"Thank you, Mr. President, Members of the Senate. You know quite often we get up on this floor and very appropriately we have joint resolutions, and we speak about those, and speak kind words about those who have served in this Body who have gone on to their final resting place. And I think it's wonderful that we do that. But I do wonder sometimes if we should not, when we have the opportunity to say kind things about those people while they're still living, I think that would be great as well. Today, I had the privilege and honor to go over and see one of our House colleagues sworn in to the Court of Appeals, Representative Bobby Hunter. I had the great distinction and pleasure to serve with Bobby when I was a Member of the House, and I worked closely doing my best to help him get elected, quite frankly, as Speaker of the House and, as you know, some other folks got into the race a little bit later and were successful and he was not. Mr. President, I think it's incumbent upon me to just get up and say to the Members of this Body, I think Bobby Hunter, Representative Bobby Hunter, is one of the finest individuals that I have ever had the opportunity to meet and serve with. He has served this State so very well for eighteen or nineteen years as a Member of the House, and I am sure he will go on to have a distinguished career as a Member of the Court of Appeals, and thank you, Mr. President, for giving me the opportunity to make these few remarks."

ADDITIONAL SPONSOR

Senator Foxx requests to be added as a sponsor of previously introduced legislation:

S.B. 1488, A BILL TO BE ENTITLED AN ACT TO REFUND THE UNCONSTITUTIONAL INTANGIBLES TAX PAID ON STOCK FOR THE 1990

THROUGH 1994 TAX YEARS WITH INTEREST, REGARDLESS OF THE THIRTY-DAY PROTEST RULE.

On motion of Senator Rand, seconded by Senator Lucas, the Senate adjourns at 2:25 P.M. to meet tomorrow, Thursday, July 9, at 11:30 A.M.

ONE HUNDRED FIFTY-NINTH DAY

Senate Chamber
Thursday, July 9, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Frank Ballance, Deputy President *Pro Tempore*, who presides in the absence of the Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Eternal God, we live at a time when people freely judge and condemn each other. Though You love us unconditionally, remind us that it is in Your court and before You that we practice our lives each day.

"You know whether we have been prophetic voices or merely echoes, whether we have done Your will or our own.

"Teach us that only Your 'well done' will afford peace and lasting happiness. May we strive for that rather than the approval of others, which is but for a little while. In Your Name we pray, Amen."

With unanimous consent, the Deputy President *Pro Tempore* grants a leave of absence for today to Senator Basnight.

Senator Rand announces the Journal of yesterday, Wednesday, July 8, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The Deputy President *Pro Tempore* of the Senate extends courtesies of the floor to Dr. John H. Bumgarner from Salisbury, North Carolina, who is serving the Senate as Doctor of the Day, and to Ms. Aileen Smith from Winston-Salem, North Carolina, who is serving the Senate as Nurse of the Day.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

S.B. 1166, AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FARMVILLE AND TO EXTEND THE TERMS OF THE MAYOR AND BOARD OF COMMISSIONERS OF THE TOWN OF LEGGETT FROM TWO TO FOUR YEARS. (Became law upon ratification - July 8, 1998 - S.L. 1998-32.)

H.B. 1278, AN ACT TO ALLOW CALDWELL, LENOIR, MITCHELL AND WAYNE COUNTIES TO ACQUIRE PROPERTY FOR USE BY THE COUNTY BOARDS OF EDUCATION. (Became law upon ratification - July 8, 1998 - S.L. 1998-33.)

H.B. 1475, AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF OCEAN ISLE BEACH. (Became law upon ratification - July 8, 1998 - S.L. 1998-34.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Hoyle for the **Finance Committee**:

S.B. 1242 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A WIRELESS ENHANCED 911 SYSTEM FOR THE USE OF CELLULAR, PERSONAL COMMUNICATIONS SERVICE, AND OTHER WIRELESS TELEPHONE CUSTOMERS, AS RECOMMENDED BY THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE, AND TO ALLOW STATE AGENCIES TO LEASE PUBLIC PROPERTY FOR THE CONSTRUCTION OF WIRELESS COMMUNICATIONS TOWERS AND TO ENCOURAGE COLOCATION OF SERVICES TO THOSE TOWERS, with an unfavorable report as to Committee Substitute bill No. 1, but favorable as to Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Committee Substitute bill No. 2, 6856, which changes the title to read **S.B. 1242** (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A WIRELESS ENHANCED 911 SYSTEM FOR THE USE OF CELLULAR, PERSONAL COMMUNICATIONS SERVICE, AND OTHER WIRELESS TELEPHONE CUSTOMERS, AS RECOMMENDED BY THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE, AND TO ALLOW STATE AGENCIES TO LEASE PUBLIC PROPERTY FOR THE CONSTRUCTION OF WIRELESS COMMUNICATIONS TOWERS AND TO ENCOURAGE CO-LOCATION OF SERVICES TO THOSE TOWERS, AND TO MAKE A TECHNICAL CORRECTION TO G.S. 62A-10, is adopted and engrossed.

With unanimous consent, on motion of Senator Hoyle, the Committee Substitute bill No. 2 is placed on the Calendar for Tuesday, July 14, upon second reading.

By Senator Miller for the **State Government, Local Government, and Personnel Committee:**

H.B. 1288, A BILL TO BE ENTITLED AN ACT TO ADD TWO MEMBERS TO THE MONTREAT BOARD OF COMMISSIONERS AND TO PROVIDE FOR THE ELECTION OF THE ADDITIONAL MEMBERS, with a favorable report.

H.B. 1622 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF WALLACE AND FAISON TO CONVEY CERTAIN PROPERTY AT A PRIVATE SALE, with a favorable report.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1230 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXEMPT RACING GASOLINE FROM THE PER GALLON EXCISE TAX, TO CLARIFY THE TAXATION OF KEROSENE, AND TO MAKE OTHER CHANGES IN THE MOTOR FUEL TAX LAWS, for concurrence in the House Committee Substitute, which is placed on the Calendar for Monday, July 13.

H.B. 1478, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS TO ENCOURAGE LOCAL BOARDS OF EDUCATION TO PROVIDE YEAR-ROUND SCHOOLS.

Referred to **Education/Higher Education Committee**.

H.B. 1527, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF YAUPON BEACH TO MAKE SPECIAL ASSESSMENTS FOR THE INSTALLATION OF UTILITIES UNDERGROUND.

Referred to **Finance Committee**.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

House of Representatives
July 8, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that pursuant to a Proclamation issued by Governor James B. Hunt, Jr., on July 8, 1998, Annette P. Bryant has been administered the oath of office as a member of the House of Representatives for the remainder of the 1997 General Assembly. Representative Bryant has been seated to fill the vacancy created by the resignation of the Honorable Robert C. Hunter, Jr. from the Forty-Ninth House District.

Respectfully,
S/Denise Weeks
Principal Clerk

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1504 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF PEMBROKE, upon second reading.

The Committee Substitute bill passes its second reading by roll-call vote, ayes 47, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Soles, Warren, Webster, Weinstein, Wellons, and Winner—47.

Voting in the negative: None.

The Committee Substitute bill is ordered placed on the Calendar for Monday, July 13, upon third reading.

H.B. 1637 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SETTLE ANNEXATION LITIGATION BY REPEALING AN ANNEXATION ORDINANCE OF THE TOWN OF CAPE CARTERET, upon second reading.

The Committee Substitute bill passes its second reading by roll-call vote, ayes 47, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Soles, Warren, Webster, Weinstein, Wellons, and Winner—47.

Voting in the negative: None.

The Committee Substitute bill is ordered placed on the Calendar for Monday, July 13, upon third reading.

H.B. 1638 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXPAND FROM TEN PERCENT TO TWENTY-FIVE PERCENT OF THE PRIMARY CORPORATE LIMITS OF THE TOWN OF MOREHEAD CITY THAT MAY BE IN SATELLITE ANNEXATIONS, upon second reading.

The Committee Substitute bill passes its second reading by roll-call vote, ayes 48, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—48.

Voting in the negative: None.

The Committee Substitute bill is ordered placed on the Calendar for Monday, July 13, upon third reading.

S.B. 962, A BILL TO BE ENTITLED AN ACT TO AMEND THE MENTAL HEALTH COMMITMENT LAW TO PROVIDE FOR VOLUNTARY COMMITMENT OF MOTHERS WHO ARE SUBSTANCE ABUSERS AND THEIR CHILDREN UNDER AGE THREE, for concurrence in the House Committee Substitute bill, which changes the title, upon concurrence, to read **S.B. 962** (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE MENTAL HEALTH

COMMITMENT LAW TO PROVIDE FOR VOLUNTARY ADMISSION OF PARENTS WHO ARE SUBSTANCE ABUSERS AND THEIR CHILDREN UNDER AGE THREE.

The Senate concurs in the House Committee Substitute bill (47-0) and the measure is ordered enrolled and sent to the Governor.

INTRODUCTION OF A RESOLUTION

A resolution filed for introduction is presented to the Senate, read the first time, and disposed of, as follows:

By Senators Foxx, Albertson, Cochrane, Dalton, Dannelly, East, Garwood, Jenkins, Kinnaird, Ledbetter, Miller, Phillips, Plyler, Purcell, Warren and Weinstein:

S.J.R. 1601, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A JOINT RESOLUTION PAYING TRIBUTE TO NORTH CAROLINA NATIVE, DOC WATSON, LEGENDARY PERFORMER AND FOLK ARTIST, AND HONORING THE LATE MERLE WATSON.

On motion of Senator Rand, the rules are suspended and the joint resolution is placed before the Senate for immediate consideration.

The joint resolution passes its second (47-0) and third readings and is ordered, without objection, sent to the House of Representatives by special messenger.

COMMITTEE REFERRAL RECALL

S.B. 1532, A BILL TO BE ENTITLED AN ACT TO AMEND THE GENERAL STATUTES PERTAINING TO CUSTODY OF ABUSED AND NEGLECTED JUVENILES AND JUVENILES PLACED FOR ADOPTION IN CONFORMANCE WITH FEDERAL ADOPTION AND SAFE FAMILIES ACT REQUIREMENTS, AND TO APPROPRIATE FUNDS THEREFOR, referred to the **Appropriations Committee** on June 1.

Pursuant to Rule 47(a), Senator Plyler offers a motion that the bill be withdrawn from the **Appropriations Committee** and re-referred to the **Judiciary Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Appropriations Committee** and re-refers the measure to the **Judiciary Committee**.

S.B. 1263, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS, referred to the **Rules and Operations of the Senate Committee** on May 27.

Pursuant to Rule 47(a), Senator Rand offers a motion that the bill be withdrawn from the **Rules and Operations of the Senate Committee** and re-referred to the **Finance Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Rules and Operations of the Senate Committee** and refers the measure to **Finance Committee**.

On motion of Senator Rand, seconded by Senator Webster, the Senate adjourns at 11:53 A.M. to meet Monday, July 13, at 7:00 P.M.

ONE HUNDRED SIXTIETH DAY

Senate Chamber
Monday, July 13, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Honorable Jeanne Lucas, Senator from Durham, North Carolina, as follows:

"Father, we acknowledge Your greatness and power; Your majesty and splendor. We know that everything that is in heaven and earth is Yours.

"As we begin this legislative week, we ask Your blessings on all those who are involved in this governmental process. Give each of us the fruit of the spirit: love, joy, peace, patience, kindness, goodness, gentleness and self-control; against such things there is no law.

"As Daniel was thrown in the lion's den for maintaining a right relationship with You and was protected by You, protect us in this 'den of decision-making' as we stay focused on Your Will. This is our prayer. Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator Hartsell, Senator Martin of Pitt, and Senator Winner.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, July 9, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Paula Jewett Stewart from Charlotte, North Carolina, who is serving the Senate as Doctor of the Day, and to Gale Adcock from Cary, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 962, AN ACT TO AMEND THE MENTAL HEALTH COMMITMENT LAW TO PROVIDE FOR VOLUNTARY ADMISSION OF PARENTS WHO ARE SUBSTANCE ABUSERS AND THEIR CHILDREN UNDER AGE THREE.

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.B. 1356, AN ACT TO MODIFY THE COMPOSITION OF THE BOONE TOURISM DEVELOPMENT AUTHORITY.

S.B. 1479, AN ACT RELATING TO INVESTMENTS MADE BY THE CITY OF WINSTON-SALEM.

S.B. 1518, AN ACT RELATING TO THE DEFINITION OF SUBDIVISION FOR THE PURPOSE OF SUBDIVISION REGULATION IN STANLY COUNTY.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1478 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT RELATING TO INVESTMENTS OF THE COUNTY OF FORSYTH, for concurrence in House Committee Substitute, which is placed on the Calendar for tomorrow, Tuesday, July 14.

H.B. 1304 (Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO RESTRUCTURE THE BOARD OF TRANSPORTATION.

Referred to **Transportation Committee.**

H.B. 1376, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE DIVISION OF CHILD DEVELOPMENT, DEPARTMENT OF HEALTH AND HUMAN SERVICES, TO DEVELOP AND ISSUE A SINGLE, CLARIFIED, PUBLICATION FOR ALL CHILD CARE PROVIDERS ON CHILD CARE LAW, RULES, AND POLICY, AS RECOMMENDED BY THE LEGISLATIVE STUDY COMMISSION ON CHILD CARE.

Referred to **Children & Human Resources Committee.**

H.B. 1479 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DIRECT THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO STUDY ISSUES RELATED TO THE PHASEOUT OF ANAEROBIC LAGOONS AND SPRAYFIELDS AS THE PRIMARY METHODS OF DISPOSING OF ANIMAL WASTE AT SWINE FARMS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Agriculture/Environment/Natural Resources Committee.**

H.B. 1529 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT.

Referred to **Agriculture/Environment/Natural Resources Committee.**

CALENDAR

Bills on tonight's Calendar are taken up and disposed of, as follows:

H.B. 1504 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF PEMBROKE, upon third reading.

The Committee Substitute bill passes its third reading by roll-call vote, ayes 47, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee,

Lucas, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons.—47.

Voting in the negative: None.

The Committee Substitute bill is ordered enrolled.

H.B. 1637 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SETTLE ANNEXATION LITIGATION BY REPEALING AN ANNEXATION ORDINANCE OF THE TOWN OF CAPE CARTERET, upon third reading.

The Committee Substitute bill passes its third reading by roll-call vote, ayes 47, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons.—47.

Voting in the negative: None.

The Committee Substitute bill is ordered enrolled.

H.B. 1638 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXPAND FROM TEN PERCENT TO TWENTY-FIVE PERCENT OF THE PRIMARY CORPORATE LIMITS OF THE TOWN OF MOREHEAD CITY THAT MAY BE IN SATELLITE ANNEXATIONS, upon third reading.

The Committee Substitute bill passes its third reading by roll-call vote, ayes 47, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—47.

Voting in the negative: None.

The Committee Substitute bill is ordered enrolled.

H.B. 1288, A BILL TO BE ENTITLED AN ACT TO ADD TWO MEMBERS TO THE MONTREAT BOARD OF COMMISSIONERS AND TO PROVIDE FOR THE ELECTION OF THE ADDITIONAL MEMBERS, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1622 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF WALLACE AND FAISON TO CONVEY CERTAIN PROPERTY AT A PRIVATE SALE, upon second reading.

The Committee Substitute bill passes its second and third readings and is ordered enrolled.

S.B. 1230 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXEMPT RACING GASOLINE FROM THE PER GALLON EXCISE TAX, TO CLARIFY THE TAXATION OF KEROSENE, AND TO MAKE OTHER CHANGES IN

THE MOTOR FUEL TAX LAWS, for concurrence in the House Committee Substitute bill upon second reading.

The Senate fails to concur in the House Committee Substitute bill by roll-call vote, ayes 2, noes 45, as follows:

Voting in the affirmative: Senators Horton and Ledbetter—2.

Voting in the negative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—45.

Senator Kerr offers a motion that the Senate appoint conferees, which motion prevails with unanimous consent.

A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

The President recognizes the following pages serving in the Senate this week:

Scott Hilliard Ashworth, Cary; Erin Cassandra Bailey, Madison; Jennifer Lynn Beatty, Stanley; Jason Allen Bollinger, Ayden; Abigail Brittain Buchanan, Rocky Mount; Laura Ashley Creech, Zebulon; Meredith Blain Eaker, Cherryvile; Amy K. Gordon, Monroe; Elizabeth Shay Halso, Chinquapin; Courteney Blair Harrell, Harrisburg; Nathan Boyette Hawes, Jacksonville; Stephanie Grace Heckel, Raleigh; Mary Kathryn Miles, Monroe; Laura Nicholson, Elkin; Lauren Brooke Nox, Dallas; Lindsay Saunders, Kill Devil Hills; Jason Bryant Snead, Raleigh; Jenny M. Southard, Reidsville; David Blair Thompon, Raleigh; William Chandler Vatavuk, Durham; Amanda Alissa Walls, Raleigh; Kirk Walston, Wilson; Brian J. Wood, Clyde; and Dallas W. Wood, Clyde.

APPOINTMENT OF CONFERENCE COMMITTEE

S.B. 1230 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXEMPT RACING GASOLINE FROM THE PER GALLON EXCISE TAX, TO CLARIFY THE TAXATION OF KEROSENE, AND TO MAKE OTHER CHANGES IN THE MOTOR FUEL TAX LAWS.

Pursuant to the motion by Senator Kerr to appoint conferees having prevailed earlier, the President *Pro Tempore* appoints Senator Kerr, Chairman, and Senator Hartsell and Senator Hoyle as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action and requesting conferees.

On motion of Senator Basnight, seconded by Senator Rand, the Senate adjourns at 7:30 P.M. to meet tomorrow, Tuesday, July 14, at 1:00 P.M.

ONE HUNDRED SIXTY-FIRST DAY

Senate Chamber
Tuesday, July 14, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Nick Mager, Laurinburg Presbyterian Church, Laurinburg, North Carolina, as follows:

"Sovereign and gracious God, we pause as we convene this day's assembly to acknowledge once again our dependence upon You and to invoke Your Spirit's presence within and among us.

"Keep us ever mindful of Your goodness, Your truth, Your justice, and Your sovereign purpose, that we may seek Your Will above our own. Open our ears and eyes as well as our minds and hearts to discern Your presence and wisdom in our colleagues and neighbors. Help us to set aside barriers of party, seniority, gender, race and class as well as geographic and economic interests, that we might make decisions that will enhance the welfare of all Your people. Give us courage to act with integrity in ways that will promote social righteousness and preserve the truth.

"Grateful for and humbled by the trust that has been placed in us to serve the people and commonwealth of our beloved State, we pray that all we say and do and are this day may honor You, our Creator, Redeemer and Friend. Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Page.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Monday, July 13, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Robert Marion Palmer from Tryon, North Carolina, who is serving the Senate as Doctor of the Day, and to Barb Balowsky from Fayetteville, North Carolina, who is serving the Senate as Nurse of the Day.

REMOVAL OF SEQUENTIAL REFERRAL

S.B. 1260, A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE DEPARTMENT OF JUVENILE JUSTICE, TO AMEND AND RECODIFY THE NORTH CAROLINA JUVENILE CODE, TO MAKE CONFORMING CHANGES TO THE STATUTES, AND TO APPROPRIATE FUNDS, AS RECOMMENDED BY THE COMMISSION ON JUVENILE CRIME AND JUSTICE.

Pursuant to Rule 43, Senator Rand announces that the sequential referral of the bill to the **Appropriations Committee** is removed.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and

presented to the Office of the Secretary of State:

H.B. 1288, AN ACT TO ADD TWO MEMBERS TO THE MONTREAT BOARD OF COMMISSIONERS AND TO PROVIDE FOR THE ELECTION OF THE ADDITIONAL MEMBERS.

H.B. 1504, AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF PEMBROKE.

H.B. 1622, AN ACT TO AUTHORIZE THE TOWNS OF WALLACE AND FAISON TO CONVEY CERTAIN PROPERTY AT A PRIVATE SALE.

H.B. 1637, AN ACT TO SETTLE ANNEXATION LITIGATION BY REPEALING AN ANNEXATION ORDINANCE OF THE TOWN OF CAPE CARTERET.

H.B. 1638, AN ACT TO EXPAND FROM TEN PERCENT TO TWENTY-FIVE PERCENT OF THE PRIMARY CORPORATE LIMITS OF THE TOWN OF MOREHEAD CITY THAT MAY BE IN SATELLITE ANNEXATIONS.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

S.B. 1356, AN ACT TO MODIFY THE COMPOSITION OF THE BOONE TOURISM DEVELOPMENT AUTHORITY. (Became law upon ratification, July 13, 1998 - S.L. 1998-35.)

S.B. 1479, AN ACT RELATING TO INVESTMENTS MADE BY THE CITY OF WINSTON-SALEM. (Became law upon ratification, July 13, 1998 - S.L. 1998-36.)

S.B. 1518, AN ACT RELATING TO THE DEFINITION OF SUBDIVISION FOR THE PURPOSE OF SUBDIVISION REGULATION IN STANLY COUNTY. (Became law upon ratification, July 13, 1998 - S.L. 1998-37.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Cooper for the **Judiciary Committee**:

H.B. 354, A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE REQUIREMENT OF CERTIFIED MAIL NOTICE IN BOND FORFEITURE CASES, with a favorable report.

S.B. 1243, A BILL TO BE ENTITLED AN ACT TO ADD CLERKS OF COURT TO THE SENTENCING AND POLICY ADVISORY COMMISSION, THE CRIMINAL JUSTICE ADVISORY BOARD, AND THE GOVERNOR'S CRIME COMMISSION, with a favorable report.

By Senator Soles for the **Commerce Committee:**

H.B. 1334, A BILL TO BE ENTITLED AN ACT TO INCREASE THE NUMBER OF CONTRACTORS ON THE BUILDING CODE COUNCIL AND TO REQUIRE COUNCIL TO CONSIDER THE IMPACT OF CODE CHANGES ON THE AFFORDABILITY OF RESIDENTIAL HOUSING, with a favorable report.

By Senator Albertson for the **Agriculture/Environment/Natural Resources Committee**:

S.B. 1565, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE REGISTRATION OF DEALERS IN POULTRY AND RATITES, TO PROHIBIT SPECIALTY MARKET OPERATORS FROM PERMITTING UNREGISTERED POULTRY OR RATITE DEALERS FROM OPERATING AT SPECIALTY MARKETS, AND TO APPROPRIATE FUNDS FOR THE ENFORCEMENT OF THESE REGISTRATION REQUIREMENTS, with a favorable report.

Pursuant to Rule 43, the bill is re-referred to the **Appropriations Committee.**

S.B. 1373, A BILL TO BE ENTITLED AN ACT TO DISAPPROVE AN ADMINISTRATIVE RULE ADOPTED BY THE ENVIRONMENTAL MANAGEMENT COMMISSION REGARDING THE TAR-PAMLICO RIVER BASIN, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill A884 is adopted and engrossed.

By Senator Kerr for the **Finance Committee**:

H.B. 1587, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF STANFIELD AND THE CITY OF LOCUST TO COLLECT UTILITY BILLS AS IF THEY WERE TAXES DUE THE TOWN AND THE CITY, with a favorable report.

S.B. 873, A BILL TO BE ENTITLED AN ACT TO AMEND THE STATE TAX LAWS, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 6857, which changes the title to read **S.B. 873** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT CERTAIN TAX-EXEMPT AND TAXABLE DEBT ISSUED BY OR ON BEHALF OF A LOCAL GOVERNMENT IS SUBJECT TO APPROVAL BY THE LOCAL GOVERNMENT COMMISSION, is adopted and engrossed.

S.B. 1556, A BILL TO BE ENTITLED AN ACT TO AMEND THE HIGHER EDUCATIONAL FACILITIES FINANCE ACT TO PROVIDE THAT THE ACT APPLIES TO PRIVATE INSTITUTIONS FOR ELEMENTARY AND SECONDARY EDUCATION, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 3626, which changes the title to read **S.B. 1556** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXTEND TAX-EXEMPT FINANCING UNDER THE HIGHER EDUCATION FACILITIES FINANCE ACT TO PRIVATE ELEMENTARY AND SECONDARY SCHOOL FACILITIES, is adopted and engrossed.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1129, A BILL TO BE ENTITLED AN ACT TO AMEND THE STATUTES GOVERNING THE CONSEQUENCES FOR PRINCIPALS IN SCHOOLS IDENTIFIED AS LOW-PERFORMING UNDER THE ABC'S PLAN, AND TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO DEVELOP PLANS TO ADDRESS THE NEEDS OF LOW-PERFORMING SCHOOLS, for concurrence in House Committee Substitute bill.

On motion of Senator Winner, the rules are suspended and the House Committee Substitute bill is placed on the Calendar for today for consideration in its regular order of business.

H.B. 1549, A BILL TO BE ENTITLED AN ACT TO INCREASE THE FINE FOR DRIVING A VEHICLE ON THE BEACH IN CURRITUCK COUNTY.

Referred to **Finance Committee**.

COMMITTEE REFERRAL RECALL

S.B. 1173, A BILL TO BE ENTITLED AN ACT TO REFORM THE BOARD OF TRANSPORTATION BY ALTERING ITS GOVERNANCE STRUCTURE, AUTHORIZING A NEW ETHICS POLICY, AND TRANSFERRING FUNDS AS NECESSARY TO IMPLEMENT THE MODIFICATIONS, referred to the **Judiciary Committee** on May 20.

Pursuant to Rule 47(a), Senator Cooper offers a motion that the bill be withdrawn from the **Judiciary Committee** and re-referred to the **Transportation Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Judiciary Committee** and refers the measure to the **Transportation Committee**.

CALENDAR

Bills and a resolution on today's Calendar are taken up and disposed of, as follows:

S.B. 1478 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT RELATING TO INVESTMENTS OF THE COUNTY OF FORSYTH, for concurrence the House Committee Substitute.

The Senate concurs in the House Committee Substitute bill (48-0) and the measure is ordered enrolled.

S.B. 1300 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND PROVISIONS IN THE INSURANCE LAWS DEALING WITH EXAMINATIONS OF INSURANCE COMPANIES AND AUDITS OF THEIR FINANCIAL STATEMENTS AND TO CLARIFY THE LAW ON INSURERS' FUNDING AGREEMENT RESERVES, upon second reading.

The Committee Substitute bill passes its second reading by roll-call vote, ayes 47, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—47.

Voting in the negative: None.

The Committee Substitute bill is ordered placed on the Calendar for tomorrow, Wednesday, July 15, upon third reading.

S.B. 1242 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A WIRELESS ENHANCED 911 SYSTEM FOR THE USE OF CELLULAR, PERSONAL COMMUNICATIONS SERVICE, AND OTHER WIRELESS TELEPHONE CUSTOMERS, AS RECOMMENDED BY THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE, AND TO ALLOW STATE AGENCIES TO LEASE PUBLIC PROPERTY FOR THE CONSTRUCTION OF WIRELESS COMMUNICATIONS TOWERS AND TO ENCOURAGE CO-LOCATION OF SERVICES TO THOSE TOWERS, AND TO MAKE A TECHNICAL CORRECTION TO G.S. 62A-10, upon second reading.

The Committee Substitute bill No. 2 passes its second reading by roll-call vote, ayes 47, noes 2, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, Wellons, and Winner—47.

Voting in the negative: Senators Clark and Webster —2.

S.B. 1407, A BILL TO BE ENTITLED AN ACT TO PROVIDE BENEFITS UNDER THE REGISTERS OF DEEDS' SUPPLEMENTAL PENSION FUND ACT TO REGISTERS OF DEEDS WHO ARE OTHERWISE NOT ELIGIBLE SOLELY BECAUSE THE COUNTY DOES NOT PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, upon second reading.

The bill passes its second (49-0) and third readings and is ordered sent to the House of Representatives.

S.J.R. 1599, A JOINT RESOLUTION PROVIDING FOR THE CONFIRMATION OF THE APPOINTMENT OF SAMUEL JAMES ERVIN, IV MADE BY THE GOVERNOR TO MEMBERSHIP ON THE NORTH CAROLINA UTILITIES COMMISSION, upon second reading.

The joint resolution passes its second (45-0) and third readings and is ordered sent to the House of Representatives.

COMMITTEE REFERRAL RECALL

S.J.R. 1111, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF ARCHIBALD KIMBROUGH DAVIS, FORMER MEMBER OF THE GENERAL ASSEMBLY, referred to the **Rules and Operations of the Senate Committee** on May 13.

Pursuant to Rule 47(a), Senator Rand offers a motion that the joint resolution be withdrawn from the **Rules and Operations of the Senate Committee** and placed on the Calendar for Monday, July 20, which motion prevails with unanimous consent.

The Chair orders the joint resolution withdrawn from the **Rules and Operations of the Senate Committee** and places it on the Calendar for Monday, July 20.

S.B. 1539, A BILL TO BE ENTITLED AN ACT TO ALLOW CITIES TO REQUIRE THAT A FOOD OR RETAIL BUSINESS THAT HOLDS AN ABC PERMIT AND IS LOCATED IN AN URBAN REDEVELOPMENT AREA OR WITHIN ONE THOUSAND FIVE HUNDRED FEET OF A SCHOOL OR CHILD CARE CENTER MAY ONLY BE OPERATED WITH A SPECIAL USE PERMIT OR CONDITIONAL USE PERMIT, referred to the **Appropriations Committee** on June 17.

Pursuant to Rule 47(a), Senator Plyler offers a motion that the bill be withdrawn from the **Appropriations Committee** and re-referred to the **State Government, Local Government, and Personnel Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Appropriations Committee** and refers the measure to the **State Government, Local Government, and Personnel Committee**.

CALENDAR *(Continued)*

S.B. 1129 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE STATUTES GOVERNING THE CONSEQUENCES FOR PRINCIPALS IN SCHOOLS IDENTIFIED AS LOW-PERFORMING UNDER THE ABC'S PLAN, AND TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO DEVELOP PLANS TO ADDRESS THE NEEDS OF LOW-PERFORMING SCHOOLS, for concurrence in the House Committee Substitute bill, placed earlier on today's Calendar.

The Senate concurs in the House Committee Substitute bill (49-0) and the measure is ordered enrolled and ordered sent to the Governor.

On motion of Senator Basnight, seconded by Senator Ballantine, the Senate adjourns at 1:47 P.M., subject to receipt of Committee Reports, to meet tomorrow, Wednesday, July 15, at 2:00 P.M.

REPORTS OF COMMITTEES *(Continued)*

By Senator Cooper for the **Judiciary Committee**:

S.B. 1260, A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE DEPARTMENT OF JUVENILE JUSTICE, TO AMEND AND RECODIFY THE NORTH CAROLINA JUVENILE CODE, TO MAKE CONFORMING CHANGES TO THE STATUTES, AND TO APPROPRIATE FUNDS, AS RECOMMENDED BY THE COMMISSION ON JUVENILE CRIME AND JUSTICE, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 9603, which changes the title to read **S.B. 1260** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE DEPARTMENT OF JUVENILE JUSTICE, TO AMEND AND RECODIFY THE NORTH CAROLINA JUVENILE CODE, TO MAKE CONFORMING CHANGES TO THE STATUTES, AND TO APPROPRIATE FUNDS, AS RECOMMENDED BY THE COMMISSION ON JUVENILE CRIME AND JUSTICE;

AND TO PROVIDE THAT A CHILD WHO POSSESSES OR SELLS ALCOHOL OR A CONTROLLED SUBSTANCE ON SCHOOL PROPERTY, WHO POSSESSES OR USES A WEAPON ON SCHOOL PROPERTY, OR WHO ASSAULTS A SCHOOL EMPLOYEE SHALL NOT BE ELIGIBLE TO OBTAIN OR SHALL LOSE HIS OR HER NORTH CAROLINA DRIVERS LICENSE, is adopted and engrossed.

The Senate adjourns at 3:18 P.M.

ONE HUNDRED SIXTY-SECOND DAY

Senate Chamber
Wednesday, July 15, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Lord, we admit that often times money and the bottom line speaks to us more loudly than the simple compassion of the human heart. Help us to care, as You do, for the people with small voices who also need justice.

"Help us to be as attentive to the weak as we are to the strong, to the helpless as to the powerful, to those with no influence as to those with great influence.

"May we put our hearts into our work, today. For Your sake, Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Page.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Tuesday, July 14, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Jack Ralph Page from Durham, North Carolina, who is serving the Senate as Doctor of the Day, and to Jan Wolfe from Raleigh, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 1129, AN ACT TO AMEND THE STATUTES GOVERNING THE CONSEQUENCES FOR PRINCIPALS IN SCHOOLS IDENTIFIED AS LOW-PERFORMING UNDER THE ABC'S PLAN, AND TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO DEVELOP PLANS TO ADDRESS THE NEEDS OF LOW-PERFORMING SCHOOLS.

H.B. 1410, AN ACT TO EXTEND THE MORATORIUM ON ISSUING SHELLFISH CULTIVATION LEASES IN CORE SOUND, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE.

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.B. 1137, AN ACT TO INCORPORATE THE VILLAGE OF WESLEY CHAPEL.

S.B. 1478, AN ACT RELATING TO INVESTMENTS OF THE COUNTY OF FORSYTH.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1288, AN ACT TO ADD TWO MEMBERS TO THE MONTREAT BOARD OF COMMISSIONERS AND TO PROVIDE FOR THE ELECTION OF THE ADDITIONAL MEMBERS. (Became law upon ratification, July 14, 1998 - S.L. 1998-38.)

H.B. 1504, AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF PEMBROKE. (Became law upon ratification, July 14, 1998 - S.L. 1998-39.)

H.B. 1622, AN ACT TO AUTHORIZE THE TOWNS OF WALLACE AND FAISON TO CONVEY CERTAIN PROPERTY AT A PRIVATE SALE. (Became law upon ratification, July 14, 1998 - S.L. 1998-40.)

H.B. 1637, AN ACT TO SETTLE ANNEXATION LITIGATION BY REPEALING AN ANNEXATION ORDINANCE OF THE TOWN OF CAPE CARTERET. (Became law upon ratification, July 14, 1998 - S.L. 1998-41.)

H.B. 1638, AN ACT TO EXPAND FROM TEN PERCENT TO TWENTY-FIVE PERCENT OF THE PRIMARY CORPORATE LIMITS OF THE TOWN OF MOREHEAD CITY THAT MAY BE IN SATELLITE ANNEXATIONS. (Became law upon ratification, July 14, 1998 - S.L. 1998-42.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Soles for the **Commerce Committee:**

S.B. 1171, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE TO MODIFY BUILDING FOUNDATION SETBACK REQUIREMENTS AND TO ESTABLISH MONITORING

REQUIREMENTS FOR EXISTING WATER SUPPLY WELLS SERVING FOSTER CARE HOMES, THERAPEUTIC HOMES FOR CHILDREN AND ADOLESCENTS, AND BED AND BREAKFAST HOMES AND INNS, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 9769, which changes the title to read **S.B. 1171** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODIFY BUILDING FOUNDATION SETBACK REQUIREMENTS AND TO ESTABLISH MONITORING REQUIREMENTS FOR EXISTING WATER SUPPLY WELLS SERVING INSTITUTIONS AND FACILITIES, is adopted and engrossed.

H.B. 1355, A BILL TO BE ENTITLED AN ACT TO IMPROVE THE STATE PROCUREMENT PROCESS, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 4205 is adopted and engrossed.

H.B. 1356 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO FACILITATE ELECTRONIC COMMERCE WITH AND BY PUBLIC AGENCIES OF THE STATE OF NORTH CAROLINA BY RECOGNIZING THE VALIDITY OF ELECTRONIC SIGNATURES AND BY AUTHORIZING THE SECRETARY OF STATE TO REGULATE ELECTRONIC SIGNATURES AND CERTIFICATION AUTHORITIES, with an unfavorable report as to Committee Substitute bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 1593 is adopted and engrossed.

On motion of Senator Soles, the Senate Committee Substitute bill is re-referred to the **Finance Committee.**

By Senator Albertson for the **Agriculture/Environment/Natural Resources Committee:**

S.B. 1314, A BILL TO BE ENTITLED AN ACT TO ALLOW STATE AGENCIES TO RETAIN RECEIPTS FROM THE SALE OF RECYCLABLE MATERIALS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 6858 is adopted and engrossed.

By Senator Lee for the **Education/Higher Education Committee:**

H.B. 1368, A BILL TO BE ENTITLED AN ACT TO PROVIDE COMMUNITY COLLEGES WITH ADDITIONAL PURCHASING FLEXIBILITY, with a favorable report.

By Senator Hoyle for the **Finance Committee:**

H.B. 1611, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE PART OF THE CARTERET/CRAVEN COUNTY BOUNDARY MODIFIED BY CHAPTER 207 OF THE 1993 SESSION LAWS NOW THAT THE SURVEY REQUIRED BY THAT ACT HAS BEEN MADE, with a favorable report.

S.B. 186 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT REQUIRING THE PAYMENT OF DELINQUENT TAXES IN ALLEGHANY COUNTY BEFORE RECORDING DEEDS CONVEYING PROPERTY SUBJECT TO DELINQUENT TAXES, with a favorable report as to concurrence.

S.B. 1263, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 9767, which changes the title to read **S.B. 1263** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVIVE THE CHARTER OF THE TOWN OF UNIONVILLE, is adopted and engrossed. Upon adoption of the Committee Substitute bill, the bill becomes a local bill.

S.B. 1552, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE LAW REGARDING A NOTARY PUBLIC'S STAMP OR SEAL, TO ALLOW EMPLOYEES OF THE NOTARY DIVISION TO ACT AS NOTARIES EX OFFICIO, AND TO IMPOSE A FEE TO BE CERTIFIED AS AN INSTRUCTOR, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 8845, which changes the title to read **S.B. 1552** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE CHANGES TO THE NOTARY PUBLIC ACT, TO EXEMPT SOME MAPS FROM THE CERTIFICATION REQUIREMENT, AND TO AUTHORIZE THE SECRETARY OF STATE TO AUTHENTICATE DOCUMENTS, is adopted and engrossed.

By Senator Shaw for the **Transportation Committee**:

S.B. 1291 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION, REGIONAL PUBLIC TRANSPORTATION AUTHORITIES, AND REGIONAL TRANSPORTATION AUTHORITIES TO CREATE TRANSPORTATION CORRIDORS AND PROTECT THEM FROM DEVELOPMENT, with an unfavorable report as to Committee Substitute bill, No. 1 but favorable as to Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Committee Substitute bill No. 2, 9513, which changes the title to read **S.B. 1291** (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION, REGIONAL PUBLIC TRANSPORTATION AUTHORITIES, AND REGIONAL TRANSPORTATION AUTHORITIES TO CREATE TRANSPORTATION CORRIDORS AND PROTECT THEM FROM DEVELOPMENT, AND TO INSURE PROPER NOTICE TO ALL PROPERTY OWNERS AFFECTED BY THE CORRIDORS, is adopted and engrossed.

On motion of Senator Shaw of Cumberland, the Committee Substitute bill No. 2 is re-referred to the **Finance Committee**.

By Senator Miller for the **State Government, Local Government, and Personnel Committee:**

H.B. 1661, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE AUTHORITY OF THE CITY OF DURHAM TO PROVIDE STATIONARY CONTAINER SERVICE TO HOUSING UNITS THAT QUALIFY FOR ROLL OUT CART SERVICE WITHOUT CHARGING ADDITIONAL FEES, with a favorable report.

INTRODUCTION OF A RESOLUTION

Senator Rand offers a motion that Rule 40 be suspended to allow the introduction of the following resolution which motion prevails by a two-thirds majority vote.

By Senator Foxx:

S.R. 1602, A SENATE RESOLUTION PAYING TRIBUTE TO NORTH CAROLINA NATIVE, DOC WATSON, LEGENDARY PERFORMER AND FOLK ARTIST, AND HONORING THE LATE MERLE WATSON.

On motion of Senator Rand, the Senate resolution is placed before the Senate for immediate consideration, upon its adoption.

On motion of Senator Foxx, the resolution is read in its entirety.

On motion of Senator Horton, the remarks memorializing Merle Watson and honoring Doc Watson are spread upon the Journal, as follows:

Senator Foxx:

"Ladies and Gentlemen, as you heard in the resolution, Doc Watson has received national recognition for his accomplishments as a human being and as a musician. His home county of Watauga, has declared July 18 as 'Doc Watson Day' and it seemed appropriate that the Senate should recognize and honor this extraordinary man, who can certainly be a role model for all of us. I think when you hear some of what I'm going to share with you that you will agree. When I asked you to sign the resolution, I received mainly two comments. 'Oh yes, Doc Watson is great and I'm glad to sign this.' And the opposite comment, 'Who is Doc Watson?' So, I am attempting to appeal to both groups in my comments. For those of you who know and love Doc Watson, you'll appreciate hearing him pray. Those of you who do not know him will understand why we are honoring him today. As the resolution stated, Doc became blind at the age of one. He began playing music very early and worked as a musician and piano tuner. He was 'discovered' as a musician and his popularity increased in the 1960's. After his son Merle died, Wilkes Community College wanted to start a festival to honor Merle. It's a tribute to Doc that many rural known musicians came to the festival in the early days for no charge to help get the festival started. The proceeds from Merle Fest, as it is now affectionately known, go to local charities and to the development of the Eddie Merle Watson Memorial Garden of the Senses on the Wilkes Community College campus. I'd like to share some comments from a program printed for the Merle Watson Festival a couple of years ago. My own personal experience with Doc support these words. At seventy-five he's mostly retired, but his few selected performances show no signs of his enormous talent being dimmed by age or fewer concert dates on the road. At any given Doc Watson performance, one will see and hear not only a guitar player of the finest caliber, but also an intelligent, witty, down-to-earth, man of the mountains, who loves to share the music of his heart and home. Doc is an extraordinary entertainer who never fails to capture the admiration and affection of his audience. When Doc was asked how he would like to be remembered, I am going to share with you what he said. This says he's always been, and still remains one of the most fundamentally modest and self-deprecating men you will ever encounter. When asked how you would like to be remembered by the countless people from all walks of life, whom he has enriched with measures of music and wisdom of astonishing clarity, he responded by saying 'I would rather be remembered as a likable person, than for any phase of my picking. Don't misunderstand me, I really appreciate the people's love of what I do with the guitar. That's an achievement as far as I'm concerned and I'm proud of it. But I'd rather people remember me as a decent human

being than as a flashy guitar player. That's the way I feel about it.' I invite you all to Watauga County this Saturday, July 18, to the Cove Creek Preschool, where you'll hear many different musical groups performing, and Doc is scheduled to perform at 6:00 P.M. I commend the resolution to you. Thank you."

Senator Garwood:

"Ladies and Gentlemen of the Senate, Doc Watson is not only a great North Carolinian, he's a great American, known nationally and internationally for his down-home music. He is the essence of mountain life, mountain talent and he has graced Wilkes County, and particularly Wilkes Community College, by holding the annual Merle Watson Festival at Wilkes Community College. It has not only enriched the lives of many, it has attracted people and musicians from all over the country to Wilkes Community College in honor of Doc Watson. Those musicians do that to honor him because they treasure his talent. Doc Watson sees with his heart and with his ear and with his mind. He's a great talent, a great American and I commend the resolution to you."

On motion of Senator Foxx, the Senate Resolution is adopted (48-0). (The text of this resolution appears in the Appendix.)

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1361 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVISE THE MUNICIPAL ANNEXATION LAWS AND TO CHANGE THE CRITERIA TO BE CONSIDERED BY THE JOINT LEGISLATIVE COMMISSION ON MUNICIPAL INCORPORATIONS.

Referred to **State Government, Local Government, and Personnel Committee**.

S.B. 1252 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SIMPLIFY AND MODIFY PRIVILEGE LICENSE AND EXCISE TAXES AND RELATED PERMIT FEES, for concurrence in House Amendments No. 1 and No. 2.

On motion of Senator Hoyle, the rules are suspended without objection, and the Committee Substitute bill is placed on the Calendar for today for consideration in its regular order of business.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 1230 House of Representatives
July 14, 1998

Mr. President:

Pursuant to your information that your Honorable Body failed to concur in House Committee Substitute for SB 1230, A BILL TO BE ENTITLED AN ACT TO EXEMPT RACING GASOLINE FROM THE PER GALLON EXCISE TAX, TO CLARIFY THE

TAXATION OF KEROSENE, AND TO MAKE OTHER CHANGES IN THE MOTOR FUEL TAX LAWS, the Speaker has appointed as conferees on the part of the House,

Representative Brawley, Chairman;
Representative Buchanan,
Representative Sexton, and
Representative Hill

to act with a like committee on the part of the Senate to the end that the differences existing between the two bodies may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

The President relinquishes the gavel to Senator Basnight, President Pro Tempore, who presides in the absence of the Lieutenant Governor.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1587, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF STANFIELD AND THE CITY OF LOCUST TO COLLECT UTILITY BILLS AS IF THEY WERE TAXES DUE THE TOWN AND THE CITY, upon second reading.

The bill passes its second (49-0) and third readings and is ordered enrolled.

S.B. 1300 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND PROVISIONS IN THE INSURANCE LAWS DEALING WITH EXAMINATIONS OF INSURANCE COMPANIES AND AUDITS OF THEIR FINANCIAL STATEMENTS AND TO CLARIFY THE LAW ON INSURERS' FUNDING AGREEMENT RESERVES, upon third reading.

The Committee Substitute bill passes its third reading by roll-call vote, ayes 49, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—49.

Voting in the negative: None.

The Committee Substitute bill is ordered sent to the House of Representatives.

S.B. 873 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT CERTAIN TAX-EXEMPT AND TAXABLE DEBT ISSUED BY OR ON BEHALF OF A LOCAL GOVERNMENT IS SUBJECT TO APPROVAL BY THE LOCAL GOVERNMENT COMMISSION, upon second reading.

Senator Kerr offers Amendment No. 1 which is adopted (48-0).

Senator Basnight, President Pro Tempore, relinquishes the gavel to President of the Senate, Lieutenant Governor Wicker, who presides.

The Committee Substitute bill, as amended, passes its second reading by roll-call vote, ayes 49, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—49.

Voting in the negative: None.

The Committee Substitute bill, as amended, is ordered placed on the Calendar for tomorrow, Thursday, July 16, for further consideration, upon third reading.

S.B. 1243, A BILL TO BE ENTITLED AN ACT TO ADD CLERKS OF COURT TO THE SENTENCING AND POLICY ADVISORY COMMISSION, THE CRIMINAL JUSTICE ADVISORY BOARD, AND THE GOVERNOR'S CRIME COMMISSION, upon second reading.

Senator Rand offers Amendment No. 1 which is adopted (49-0).

The bill, as amended, passes its second (49-0) and third readings and is ordered engrossed and sent to the House of Representatives.

S.B. 1260 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE DEPARTMENT OF JUVENILE JUSTICE, TO AMEND AND RECODIFY THE NORTH CAROLINA JUVENILE CODE, TO MAKE CONFORMING CHANGES TO THE STATUTES, AND TO APPROPRIATE FUNDS, AS RECOMMENDED BY THE COMMISSION ON JUVENILE CRIME AND JUSTICE; AND TO PROVIDE THAT A CHILD WHO POSSESSES OR SELLS ALCOHOL OR A CONTROLLED SUBSTANCE ON SCHOOL PROPERTY, WHO POSSESSES OR USES A WEAPON ON SCHOOL PROPERTY, OR WHO ASSAULTS A SCHOOL EMPLOYEE SHALL NOT BE ELIGIBLE TO OBTAIN OR SHALL LOSE HIS OR HER NORTH CAROLINA DRIVERS LICENSE, upon second reading.

Senator McDaniel offers Amendment No. 1 which is adopted (49-0).

Senator Rucho offers Amendment No. 2 which fails of adoption (19-30).

Senator Horton offers Amendment No. 3. Senator Cooper rises to a point of order as to whether or not Amendment No. 3 is germane to the bill. The Chair rules that Amendment No. 3 is not germane to the bill.

Senator Horton offers Amendment No. 4. Senator Cooper rises to a point of order as to whether or not Amendment No. 4 is germane to the bill. The Chair rules that Amendment No. 4 is not germane to the bill.

Senator Cooper calls the previous question on the passage of the bill, seconded by Senator Rand. A division is called and the motion is sustained (30-18).

The Committee Substitute bill, as amended, passes its second (40-8) and third readings (40-8) and is ordered engrossed and sent to the House of Representatives.

S.B. 1373 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DISAPPROVE AN ADMINISTRATIVE RULE ADOPTED BY THE ENVIRONMENTAL MANAGEMENT COMMISSION REGARDING THE TAR-PAMLICO RIVER BASIN, upon second reading.

The Committee Substitute bill passes its second (48-0) and third readings and is ordered sent to the House of Representatives.

S.B. 1556 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXTEND TAX-EXEMPT FINANCING UNDER THE HIGHER EDUCATION FACILITIES FINANCE ACT TO PRIVATE ELEMENTARY AND SECONDARY SCHOOL FACILITIES, upon second reading.

The Committee Substitute bill passes its second (48-1) and third readings and is ordered sent to the House of Representatives.

H.B. 354, A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE REQUIREMENT OF CERTIFIED MAIL NOTICE IN BOND FORFEITURE CASES, upon second reading.

The President relinquishes the gavel to Senator Basnight, President Pro Tempore, who presides in the absence of the Lieutenant Governor.

The bill passes its second reading (44-5) and third reading (44-5) and is ordered enrolled and sent to the Governor.

H.B. 1334, A BILL TO BE ENTITLED AN ACT TO INCREASE THE NUMBER OF CONTRACTORS ON THE BUILDING CODE COUNCIL AND TO REQUIRE COUNCIL TO CONSIDER THE IMPACT OF CODE CHANGES ON THE AFFORDABILITY OF RESIDENTIAL HOUSING, upon second reading.

The bill passes its second reading (48-1) and third reading and is ordered enrolled and sent to the Governor.

S.B. 1242 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A WIRELESS ENHANCED 911 SYSTEM FOR THE USE OF CELLULAR, PERSONAL COMMUNICATIONS SERVICE, AND OTHER WIRELESS TELEPHONE CUSTOMERS, AS RECOMMENDED BY THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE, AND TO ALLOW STATE AGENCIES TO LEASE PUBLIC PROPERTY FOR THE CONSTRUCTION OF WIRELESS COMMUNICATIONS TOWERS AND TO ENCOURAGE CO-LOCATION OF SERVICES TO THOSE TOWERS, AND TO MAKE A TECHNICAL CORRECTION TO G.S. 62A-10, upon third reading.

The Chair rules that S.B. 1242 requires a call of the roll and orders the votes by which the bill passed second reading on Tuesday, July 14, be spread upon the Journal of July 14.

The Committee Substitute bill No. 2 passes its third reading by roll-call vote, ayes 46, noes 3, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, Wellons, and Winner—46.

Voting in the negative: Senators Clark, Horton, and Webster—3.

The Committee Substitute bill is ordered sent to the House of Representatives.

S.B. 1252 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SIMPLIFY AND MODIFY PRIVILEGE LICENSE AND EXCISE TAXES AND RELATED PERMIT FEES, placed earlier on today's Calendar for concurrence in House Amendments No. 1 and No. 2. The Senate fails to concur in House Amendments No. 1 and No. 2 (1-48). A message is ordered sent to the House of Representatives notifying that Honorable body of such action.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A special message is received from the House of Representatives transmitting a joint resolution which is read the first time and disposed of, as follows:

S.J.R. 1600 (House Committee Substitute), A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER JOINT RESOLUTIONS HONORING LILLIAN E. CLEMENT, ERNEST BRYAN MESSER, JEFF HAILEN ENLOE, JR., ARCHIBALD KIMBROUGH DAVIS, WILLIAM CLINTON "BUCK" HARRIS, JR., JAMES M. POYNER, AND GUS NICKOLAS ECONOMOS, FORMER MEMBERS OF THE GENERAL ASSEMBLY, for concurrence in the House Committee Substitute joint resolution.

On motion of Senator Rand, the rules are suspended without objection, and the House Committee Substitute joint resolution is placed before the Senate for immediate consideration.

The Senate concurs in the House Committee Substitute joint resolution (49-0) and the measure is ordered enrolled.

Upon motion of Senator Ballance, seconded by Senator McDaniel, the Senate adjourns at 4:52 P.M. to meet tomorrow, Thursday, July 16, at 11:00 A.M.

ONE HUNDRED SIXTY-THIRD DAY

Senate Chamber
Thursday, July 16, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, we're reminded of the story of an old woman who during the depression years, received by mail a brand new bathrobe as a gift from her grandson. The boy had left their Appalachian village and found work in Detroit where he made more money than he ever imagined.

"The woman loved the bathrobe so much that she decided to wear it to church on the very next Sunday. Her friends greeted her with a whisper campaign and pretentious snickering.

"After church one of her friends confronted the woman, 'Granny, don't you know what you've got on? It's a bathrobe. Why did you wear it to church?'

"Granny studied a minute and then replied, 'Sadie, you always did have a mean tongue. I wore it because it's the prettiest thing I ever owned, because my grandson sent it to me and I love him dearly. And, I wore it to the glory of God. Besides, she added, I ain't got no bathroom and you ain't either!'

"Guard us from being pretentious, Oh God. At best it's unbecoming, at worst, ungodly. If we're ever inclined to act that way, for goodness sakes put somebody in our path like that old woman to bring us to reality. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Dalton, Senator Hoyle, and Senator Page.

Upon motion of Senator Plyler and Senator Purcell, the Chair extends courtesies of the gallery to Dr. Jane Carrigan, Professor at UNC-Chapel Hill; Mr. Barry Aycock, Assistant Superintendent of Union County Public Schools; Mrs. Donica Davidson, Principal, Indian Trails Elementary School; and Mrs. Grace Faris, Principal, Piedmont Middle School.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Wednesday, July 15, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Atul Kuman from Henderson, North Carolina, who is serving the Senate as Doctor of the Day, and to Mary Lou Ware from Kings Mountain, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

H.B. 354, AN ACT TO ELIMINATE THE REQUIREMENT OF CERTIFIED MAIL NOTICE IN BOND FORFEITURE CASES.

H.B. 1334, AN ACT TO INCREASE THE NUMBER OF CONTRACTORS ON THE BUILDING CODE COUNCIL AND TO REQUIRE COUNCIL TO CONSIDER THE IMPACT OF CODE CHANGES ON THE AFFORDABILITY OF RESIDENTIAL HOUSING.

The Enrolling Clerk reports the following bill duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.J.R. 1600, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER JOINT RESOLUTIONS HONORING LILLIAN E. CLEMENT, ERNEST BRYAN MESSER, JEFF HAILEN ENLOE, JR., ARCHIBALD KIMBROUGH DAVIS, WILLIAM CLINTON "BUCK" HARRIS, JR., JAMES M. POYNER, AND GUS NICKOLAS ECONOMOS, FORMER MEMBERS OF THE GENERAL ASSEMBLY. (Res. 37)

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

S.B. 1137, AN ACT TO INCORPORATE THE VILLAGE OF WESLEY CHAPEL. (Became law upon ratification, July 15, 1998 - S.L. 1998-43.)

S.B. 1478, AN ACT RELATING TO INVESTMENTS OF THE COUNTY OF FORSYTH. (Became law upon ratification, July 15, 1998 - S.L. 1998-44.)

S.B. 1093, AN ACT TO REQUIRE THE DEPARTMENT OF ADMINISTRATION TO CERTIFY THE BROAD FEASIBILITY OF STATE CONSTRUCTION PROJECTS AND MAKE THAT CERTIFICATION A PREREQUISITE TO FUNDING. (Became law upon approval of Governor, July 15, 1998 - S.L. 1998-45.)

S.B. 452, AN ACT TO CLARIFY LOCAL GOVERNMENT AUTHORITY TO REGULATE THE LOCATION AND OPERATION OF SEXUALLY ORIENTED BUSINESSES. (Became law upon approval of Governor, July 15, 1998 - S.L. 1998-46.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Lee for the **Education/Higher Education Committee:**

H.B. 1541 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW CERTAIN COMMUNITY COLLEGES TO USE THE PROCEEDS FROM THE SALE OF REAL ESTATE DONATED TO THEM FOR THE PURPOSES INTENDED BY THE DONOR, with an unfavorable report as to Committee Substitute bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 7499, which changes the title, upon concurrence, to read **H.B. 1541** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW COMMUNITY COLLEGES TO USE THE PROCEEDS FROM THE SALE OR LEASE OF DONATED PROPERTY FOR SPECIFIC EDUCATIONAL PURPOSES, is adopted and engrossed.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 726 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT ESTABLISHING BINDING JOINT PLANNING AND ZONING JURISDICTION FOR THE SWIFT CREEK AREA IN WAKE COUNTY SUBJECT TO MODIFICATION ONLY BY INTERLOCAL AGREEMENT BY AND BETWEEN ALL JURISDICTIONS INVOLVED OR BY ACTION OF THE GENERAL ASSEMBLY, for concurrence in the House Committee Substitute bill.

Referred to **Rules and Operations of the Senate Committee.**

H.B. 1487, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS TO DIRECT THE STATE BOARD OF EDUCATION TO ADOPT RULES PRESCRIBING THE EXTRACURRICULAR DUTIES ASSIGNED TO FIRST-YEAR TEACHERS.

Referred to **Education/Higher Education Committee.**

The President of the Senate acknowledges Senator Dalton's presence in the Chamber and the leave of absence granted previously is withdrawn.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1263 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVIVE THE CHARTER OF THE TOWN OF UNIONVILLE, upon second reading.

On motion of Senator Plyler, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, July 22.

H.B. 1611, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE PART OF THE CARTERET/CRAVEN COUNTY BOUNDARY MODIFIED BY CHAPTER 207 OF THE 1993 SESSION LAWS NOW THAT THE SURVEY REQUIRED BY THAT ACT HAS BEEN MADE, upon second reading.

The bill passes its second reading by roll-call vote, ayes 47, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—47.

Voting in the negative: None.

The bill is ordered placed on the Calendar for Monday, July 20, for further consideration, upon third reading.

H.B. 1661, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE AUTHORITY OF THE CITY OF DURHAM TO PROVIDE STATIONARY CONTAINER SERVICE TO HOUSING UNITS THAT QUALIFY FOR ROLL OUT CART SERVICE WITHOUT CHARGING ADDITIONAL FEES, upon second reading.

The bill passes its second reading by roll-call vote, ayes 47, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—47.

Voting in the negative: None.

The bill is ordered placed on the Calendar for Monday, July 20, for further consideration, upon third reading.

COMMITTEE REFERRAL RECALL

S.B. 1291 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION, REGIONAL PUBLIC TRANSPORTATION AUTHORITIES, AND REGIONAL TRANSPORTATION AUTHORITIES TO CREATE TRANSPORTATION CORRIDORS AND PROTECT THEM FROM DEVELOPMENT, AND TO INSURE PROPER NOTICE TO ALL PROPERTY OWNERS AFFECTED BY THE CORRIDORS, referred to the **Finance Committee** on July 15.

Pursuant to Rule 47(a), Senator Kerr offers a motion that the Committee Substitute bill No. 2 be withdrawn from the **Finance Committee** and re-referred to the **Transportation Committee**, which motion prevails with unanimous consent.

The Chair orders the Committee Substitute bill No. 2 withdrawn from the **Finance Committee** and refers the measure to the **Transportation Committee**.

RECALL FROM ENROLLING OFFICE

H.B. 1587, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF STANFIELD AND THE CITY OF LOCUST TO COLLECT UTILITY BILLS AS IF THEY WERE TAXES DUE THE TOWN AND THE CITY, ordered enrolled on July 15.

Senator Plyler offers a motion that the bill be recalled from the Enrolling Office.

The motion prevails by a two-thirds majority and the Chair orders the bill recalled from Enrolling and places it before the Senate for immediate consideration.

Senator Plyler offers a motion that the vote by which the bill passed its third reading on July 15 be reconsidered, which motion prevails.

The bill remains before the Senate for further consideration, upon third reading.

Senator Plyler offers Amendment No. 1, which is adopted (46-0).

The bill, as amended, passes its third reading (46-0) and is ordered sent to the House of Representatives, for concurrence in Senate Amendment No. 1.

CALENDAR *(Continued)*

S.B. 873 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT CERTAIN TAX-EXEMPT AND TAXABLE DEBT ISSUED BY OR ON BEHALF OF A LOCAL GOVERNMENT IS SUBJECT TO APPROVAL BY THE LOCAL GOVERNMENT COMMISSION, upon third reading.

The Committee Substitute bill, as amended on second reading, passes its third reading by roll-call vote, ayes 47, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—47.

Voting in the negative: None.

The Committee Substitute bill, as amended, is ordered engrossed and sent to the House of Representatives.

S.B. 1171 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODIFY BUILDING FOUNDATION SETBACK REQUIREMENTS AND TO ESTABLISH MONITORING REQUIREMENTS FOR EXISTING WATER SUPPLY WELLS SERVING INSTITUTIONS AND FACILITIES, upon second reading.

The Committee Substitute bill passes its second (48-0) and third readings and is ordered sent to the House of Representatives.

S.B. 1314 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW STATE AGENCIES TO RETAIN RECEIPTS FROM THE SALE OF RECYCLABLE MATERIALS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, upon second reading.

The Committee Substitute bill passes its second reading (48-0).

Senator Odom offers a motion that the Committee Substitute bill be withdrawn from the Calendar for today and placed on the Calendar for Monday, July 20, which motion prevails with unanimous consent.

The Chair orders the Committee Substitute bill withdrawn from today's Calendar and places it on the Calendar for Monday, July 20.

S.B. 1552 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE CHANGES TO THE NOTARY PUBLIC ACT, TO EXEMPT SOME MAPS FROM THE CERTIFICATION REQUIREMENT, AND TO AUTHORIZE THE SECRETARY OF STATE TO AUTHENTICATE DOCUMENTS, upon second reading.

The Committee Substitute bill passes its second (48-0) and third readings and is ordered sent to the House of Representatives.

H.B. 1355 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPROVE THE STATE PROCUREMENT PROCESS, upon second reading.

The Senate Committee Substitute bill passes its second reading (48-0).

Senator Soles offers a motion that the Senate Committee Substitute bill be withdrawn from today's Calendar and placed on the Calendar for Tuesday, July 21, which motion prevails with unanimous consent.

The Chair orders the Senate Committee Substitute bill withdrawn from the Calendar for today and places it on the Calendar for Tuesday, July 21.

H.B. 1368, A BILL TO BE ENTITLED AN ACT TO PROVIDE COMMUNITY COLLEGES WITH ADDITIONAL PURCHASING FLEXIBILITY, upon second reading.

The bill passes its second (48-0) and third readings and is ordered enrolled and sent to the Governor.

S.B. 186 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT REQUIRING THE PAYMENT OF DELINQUENT TAXES IN ALLEGHANY COUNTY BEFORE RECORDING DEEDS CONVEYING PROPERTY SUBJECT TO DELINQUENT TAXES, for concurrence in the House Committee Substitute bill.

The Senate concurs in the House Committee Substitute bill (48-0) and the measure is ordered enrolled and sent to the Governor.

WITHDRAWAL FROM CALENDAR

S.B. 1314 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW STATE AGENCIES TO RETAIN RECEIPTS FROM THE SALE OF RECYCLABLE MATERIALS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Senator Kinnaird offers a motion that the Committee Substitute bill be withdrawn from the Calendar for Monday, July 20, and placed before the Senate for immediate consideration upon third reading, which motion prevails with unanimous consent.

The Chair orders the Committee Substitute bill withdrawn from the Calendar for Monday, July 20, and places it before the Senate for immediate consideration upon third reading.

The Committee Substitute bill passes its third reading and is ordered sent to the House of Representatives.

H.B. 1355 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPROVE THE STATE PROCUREMENT PROCESS.

Senator Soles offers a motion that the Senate Committee Substitute bill be withdrawn from the Calendar for Tuesday, July 21, and placed before the Senate for immediate consideration, upon third reading, which motion prevails with unanimous consent.

The Chair orders the Senate Committee Substitute bill withdrawn from the Calendar for Tuesday, July 21, and places it before the Senate for immediate consideration, upon third reading.

The Senate Committee Substitute bill passes its third reading and is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 1541 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW COMMUNITY COLLEGES TO USE THE PROCEEDS FROM THE SALE OR LEASE OF DONATED PROPERTY FOR SPECIFIC EDUCATIONAL PURPOSES.

Senator Rand offers a motion that the Senate Committee Substitute bill be withdrawn from the Calendar for Monday, July 20, and placed on the Calendar for Tuesday, July 21, which motion prevails with unanimous consent.

The Chair orders the Senate Committee Substitute bill withdrawn from the Calendar for Monday, July 20, and places it on the Calendar for Tuesday, July 21.

REPORTS OF COMMITTEES *(Continued)*

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Shaw of Cumberland for the **Transportation Committee**:

S.B. 1291 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION, REGIONAL PUBLIC TRANSPORTATION AUTHORITIES, AND REGIONAL TRANSPORTATION AUTHORITIES TO CREATE TRANSPORTATION CORRIDORS AND PROTECT THEM FROM DEVELOPMENT, AND TO INSURE PROPER NOTICE TO ALL PROPERTY OWNERS AFFECTED BY THE CORRIDORS, with an unfavorable report as to Committee Substitute bill No. 2, but favorable as to Committee Substitute bill No. 3.

Pursuant to Rule 45.1, the proposed Committee Substitute bill No. 3, 9514, is adopted and engrossed.

On motion of Senator Shaw of Cumberland, the Committee Substitute bill No. 3 is re-referred to the **Finance Committee**.

APPOINTMENT OF CONFERENCE COMMITTEE

S.B. 1252 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SIMPLIFY AND MODIFY PRIVILEGE LICENSE AND EXCISE TAXES AND RELATED PERMIT FEES.

Pursuant to the Senate having failed to concur in House Amendments No. 1 and No. 2 on July 15, Senator Basnight offers a motion that the Senate appoint conferees, which motion prevails.

The President *Pro Tempore* appoints Senator Hoyle, Chairman, and Senator Carrington and Senator Kerr as conferees on the part of the Senate to resolve the

differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action and requesting conferees.

On motion of Senator Basnight, seconded by Senator Wellons, the Senate adjourns at 11:57 A.M. to meet Monday, July 20, at 7:00 P.M.

ONE HUNDRED SIXTY-FOURTH DAY

Senate Chamber
Monday, July 20, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"After the sermon, the young Preacher stood at the front door of the church shaking hands with parishioners. His elderly aunt walked by and said. 'Nephew, that was a pretty fair sermon but you missed three excellent opportunities to end it!'

"In the important decisions before us this week, Oh God, help us to know whether to make another sermon point or to offer with grace a closing prayer.

"We trust that You will guide us to know which is appropriate. Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator Cooper, Senator Gulley, Senator Hoyle, and Senator Winner.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, July 16, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Michael W. Brennan from Burlington, North Carolina, who is serving the Senate as Doctor of the Day, and to Dianne Leonard from Asheboro, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified and presented to the Governor:

S.B. 186, AN ACT TO PROVIDE THAT THE GOVERNING BODY OF A TAXING UNIT MAY DELAY THE ACCRUAL OF INTEREST ON CERTAIN UNPAID PROPERTY TAXES.

H.B. 1368, AN ACT TO PROVIDE COMMUNITY COLLEGES WITH ADDITIONAL PURCHASING FLEXIBILITY.

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.B. 1284, AN ACT TO ALLOW ALAMANCE, ALEXANDER, DAVIDSON, DAVIE, AND WILKES COUNTIES TO ACQUIRE PROPERTY FOR USE BY THE COUNTY BOARDS OF EDUCATION.

CHAPTERED BILL

The Enrolling Clerk reports the following bill properly enrolled, assigned the following Chapter Number, and presented to the Office of the Secretary of State:

S.B. 962, AN ACT TO AMEND THE MENTAL HEALTH COMMITMENT LAW TO PROVIDE FOR VOLUNTARY ADMISSION OF PARENTS WHO ARE SUBSTANCE ABUSERS AND THEIR CHILDREN UNDER AGE THREE. (Became law upon approval of the Governor, July 16, 1998 - S.L. 1998-47.)

INTRODUCTION OF A RESOLUTION

A resolution is filed for introduction and presented to the Senate, read the first time, and disposed of, as follows:

By Senators Cochrane, Foxx, Kinnaird, Lucas, Perdue and Winner:

S.J.R. 1603, A JOINT RESOLUTION HONORING LILLIAN E. CLEMENT, THE FIRST WOMAN TO SERVE IN THE NORTH CAROLINA GENERAL ASSEMBLY, ON THE SIXTIETH ANNIVERSARY OF THE NATIONAL ORDER OF WOMEN LEGISLATORS.

Referred to **Rules and Operations of the Senate Committee.**

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills and resolutions are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1229, A BILL TO BE ENTITLED AN ACT TO ABOLISH TAX WAIVERS FOR THE TRANSFER OR DELIVERANCE OF A DECEDENT'S PROPERTY, for concurrence in House Amendment No. 1, which is placed on the Calendar for tomorrow, Tuesday, July 21.

S.B. 1569 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT (1) TO ALLOW CERTAIN RECYCLING FACILITIES AN INVESTMENT TAX CREDIT, A REFUNDABLE INCOME TAX CREDIT, A SALES TAX REDUCTION FOR CRANES AND MATERIALS HANDLING EQUIPMENT, A SALES TAX REFUND FOR CONSTRUCTION MATERIALS, A SALES TAX EXEMPTION FOR ELECTRICITY, AND A PROPERTY TAX EXEMPTION FOR RECYCLING PROPERTY; (2) TO ALLOW AIR COURIERS A SALES TAX REDUCTION FOR MATERIALS HANDLING EQUIPMENT USED AT A HUB, A SALES TAX EXEMPTION FOR AIRCRAFT LUBRICANTS AND PARTS USED AT A HUB, AND A PROPERTY TAX EXEMPTION FOR AIRCRAFT USED AT A HUB; (3) TO

EXPAND THE INDUSTRIAL DEVELOPMENT FUND AND UTILITY ACCOUNT TO INCLUDE THE SAME BUSINESSES AS THE WILLIAM S. LEE ACT, TO EXPAND THE UTILITY ACCOUNT TO TIER TWO COUNTIES, TO RAISE THE MAXIMUM GRANT UNDER THE INDUSTRIAL DEVELOPMENT FUND, AND TO ALLOW LOCAL GOVERNMENTS TO USE PART OF THE INDUSTRIAL DEVELOPMENT FUND GRANT FUNDS TO ADMINISTER THE GRANT; (4) TO PROVIDE FOR THE DESIGNATION OF STATE DEVELOPMENT ZONES, TO PROVIDE A LOWER WAGE STANDARD, A HIGHER WORKER TRAINING CREDIT, A ZERO THRESHOLD FOR THE INVESTMENT TAX CREDIT, AND AN ADDITIONAL JOBS TAX CREDIT WITHIN ZONES, AND TO GIVE ZONES PRIORITY FOR COMMUNITY DEVELOPMENT BLOCK GRANTS; AND (5) TO AMEND THE WILLIAM S. LEE ACT BY EXPANDING THE CENTRAL ADMINISTRATIVE OFFICE CREDIT TO GROSS PREMIUMS TAXES AND TO JOBS CREATED BEFORE THE PROPERTY IS CONSTRUCTED, BY PROVIDING THAT THE INVESTMENT TAX CREDIT THRESHOLD APPLIES ONLY ONCE FOR A TWO-YEAR PROJECT, BY EXPANDING THE INVESTMENT TAX CREDIT TO OPERATING LEASES FOR PROJECTS OVER ONE HUNDRED FIFTY MILLION DOLLARS, BY EXPANDING THE RESEARCH AND DEVELOPMENT TAX CREDIT, BY SIMPLIFYING THE WORKER TRAINING TAX CREDIT, BY IMPOSING A FEE FOR INCENTIVE APPLICANTS, BY EXTENDING THE CREDIT CARRY FORWARD PERIOD FOR PROJECTS OVER ONE HUNDRED FIFTY MILLION DOLLARS, BY PROVIDING FOR A SINGLE TIER DESIGNATION FOR TWO-COUNTY INDUSTRIAL PARKS, BY CLARIFYING THAT CREDITS ARE ALLOWED FOR BUSINESSES THAT ARE SOLD ONLY IF THERE IS IMMINENT CLOSURE OR AN EMPLOYEE BUYOUT, BY CLARIFYING THE METHOD OF CALCULATING THE INVESTMENT TAX CREDIT FOR LEASES, AND BY CLARIFYING THE DEFINITIONS OF THE TYPES OF BUSINESSES ELIGIBLE FOR INCENTIVES, for concurrence in House Committee Substitute bill, which is placed on the Calendar for tomorrow, Tuesday, July 21.

H.B. 1307 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REQUIRE PAYMENT OF DELINQUENT TAXES FOR THE TOWN OF BANNER ELK BEFORE RECORDING DEEDS CONVEYING PROPERTY SUBJECT TO THE DELINQUENT TAXES.

Referred to **Finance Committee**.

H.B. 1396 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE PROVISIONS OF THE WINSTON-SALEM FIREMEN'S FUND ASSOCIATION.

Referred to **Pensions & Retirement and Insurance Committee**.

H.B. 1544 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO INCREASE THE PROCESS AND FACILITIES FEES IN THE GENERAL COURT OF JUSTICE.

Referred to **Finance Committee**.

CALENDAR

Bills and a resolution on tonight's Calendar are taken up and disposed of, as follows:

H.B. 1611, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE PART OF THE CARTERET/CRAVEN COUNTY BOUNDARY MODIFIED BY CHAPTER 207 OF THE 1993 SESSION LAWS NOW THAT THE SURVEY REQUIRED BY THAT ACT HAS BEEN MADE, upon third reading.

The bill passes its third reading by roll-call vote, ayes 43, noes 0, as follows;

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Horton, Jenkins, Jordan, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein and Wellons—43.

Voting in the negative: None.

The bill is ordered enrolled.

H.B. 1661, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE AUTHORITY OF THE CITY OF DURHAM TO PROVIDE STATIONARY CONTAINER SERVICE TO HOUSING UNITS THAT QUALIFY FOR ROLL OUT CART SERVICE WITHOUT CHARGING ADDITIONAL FEES, upon third reading.

The bill passes its third reading by roll-call vote, ayes 43, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Horton, Jenkins, Jordan, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—43.

Voting in the negative: None.

The bill is ordered enrolled.

S.J.R. 1111, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF ARCHIBALD KIMBROUGH DAVIS, FORMER MEMBER OF THE GENERAL ASSEMBLY, upon second reading.

On motion of Senator Ballantine, the remarks of the Senators memorializing Archibald Kimbrough Davis are spread upon the Journal as follows:

Senator Horton:

"Ladies and Gentlemen, it's an honor to be able to speak in tribute to Archie Davis, a townsman of mine and a friend, a North Carolina original. As you noted in the reading of the Resolution, he was the only person ever to be both President of the National Chamber of Commerce and of the American Bankers Association. He was a member of this Senate for two terms and he was a gentleman, a gentleman by birth, by training, and by instinct. I remember going into his office one day and you know he never wore a watch. I said, 'Archie why don't you wear a watch?' He said, 'Well, I've always thought that I might be tempted to look at my watch when I'm talking with someone and make them uncomfortable and make them think that I was ready to leave.' So he never wore a watch. It was said that when he was a banker, he would have to turn down loans but when he turned down a loan, the fellow leaving would thank him profusely. But even more, Archie Davis was in love with North Carolina. Probably more than anybody else, he was responsible for the North Carolina Natural Humanities Council being settled in the Research Triangle Park and was one of those most responsible for the Research Triangle Park getting off of the ground. In fact, Davis Boulevard is named for him. He was also in

love with history and knew more about North Carolina history than anyone I've ever run in to. He wrote the book, *Boy Colonel of the Confederacy*, about Henry Burgwin. I remember hearing that he gave a speech to the Chamber of Commerce in Detroit when he was head of the National Chamber. He said, 'I went to Chapel Hill and at the conclusion of the War Between the States, the Michigan Calvary occupied the library of the University and stalled their horses in the library itself.' And his hosts began to look at each other nervously, wondering what was going to come next. He said, 'You know ever since that day, Michigan horses have been known for their good manners and intelligence and North Carolinians have been known for their horse sense.' He was an icon in our community and in our State. When Archie Davis passed away, there were many of us who thought of him as the lines in Shakespeare, 'Good night sweet prince, and flights of angels sing thee to thy rest.' "

Senator McDaniel:

"Thank you Mr. President. For over twenty years and beyond from where he was Chairman of the Board of Wachovia Bank, the city of Winston-Salem and Archie Davis were indeed synonymous with one another. He directed Wachovia Bank to greatness and when he retired in 1974 the bank was not only the largest institution in the State of North Carolina, but indeed the largest financial institution in the entire southeast. His reach, his influence, his great intellect was phenomenal in his stretch throughout the nation. As President of the Chamber of Commerce of this country, he distinguished himself greatly. But what Archie Davis is remembered more for is the fact that unlike a lot of people who reach greatness, he did not neglect his family. Archie Davis was married to but one woman for a long number of years and he helped his wife raise three sons and a daughter, all of whom are successful in their own right. When you talk about Archie Davis, you talk about a well-rounded life, one in which he had a thorough commitment to his bank, a thorough commitment to his community, but more importantly a thorough commitment to his family and to his God."

Senator Basnight:

"Thank you Mr. President, members of the Senate. He had a liberal time or a liberal time of stay on this earth of ours, and he spent that time well. On a daily basis, he gave back to the State, the State of which he loved so very much, the historian he was, a greater person for his human deeds, those deeds being that he cared. He cared for others, not just in Winston, your home town Senator Horton and McDaniel, but also the county and the State in totally. He had a love for our mountains and our coast as well. People meant a great deal to him. He was obviously very successful as a business person and honors that were awarded him through his period of time and stay here are obvious in that very few people have ever acquired such a claim for leading such organizations. But more than that, those contributions, those human contributions to give more than you receive as one person during your stay here is what we shall always remember him by. He did a marvelous job of raising his family and making those proper contributions to life."

The joint resolution passes its second reading (44-0) and third reading with members standing and is ordered, without objection, sent to the House of Representatives by special messenger.

COMMITTEE REFERRAL RECALL

S.J.R. 1603, A JOINT RESOLUTION HONORING LILLIAN E. CLEMENT, THE

FIRST WOMAN TO SERVE IN THE NORTH CAROLINA GENERAL ASSEMBLY, ON THE SIXTIETH ANNIVERSARY OF THE NATIONAL ORDER OF WOMEN LEGISLATORS, referred to the **Rules and Operations of the Senate Committee** earlier tonight.

Pursuant to Rule 47(a), Senator Rand offers a motion that the joint resolution be withdrawn from the **Rules and Operations of the Senate Committee** and placed on the Calendar for Tuesday, July 21, which motion prevails with unanimous consent.

The Chair orders the joint resolution withdrawn from the **Rules and Operations of the Senate Committee** and places it on the Calendar for Tuesday, July 21.

On motion of Senator Basnight, seconded by Senator Moore, the Senate adjourns at 7:30 P.M. to meet tomorrow, Tuesday, July 21, at 2:00 P.M.

ONE HUNDRED SIXTY-FIFTH DAY

Senate Chamber
Tuesday, July 21, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Lamar Moore, Center Hill Baptist Church, Lexington, North Carolina, as follows:

"Our Father, we evoke Your blessing on this Body. Lord, my heart is not large enough, my memory not good enough, my will not strong enough. Take my heart and enlarge it, take my memory and give it quicker recall, take my will and make it strong and make me conscious of Thee, ever present, ever accompanying. Amen."

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Monday, July 22, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Jay Berry Levy from Charlotte, North Carolina, who is serving the Senate as Doctor of the Day, and to Peggy Baker from Durham, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.B. 1611, AN ACT TO CLARIFY THE PART OF THE CARTERET/CRAVEN COUNTY BOUNDARY MODIFIED BY CHAPTER 207 OF THE 1993 SESSION LAWS NOW THAT THE SURVEY REQUIRED BY THAT ACT HAS BEEN MADE.

H.B. 1661, AN ACT TO CLARIFY THE AUTHORITY OF THE CITY OF DURHAM TO PROVIDE STATIONARY CONTAINER SERVICE TO HOUSING

UNITS THAT QUALIFY FOR ROLL OUT CART SERVICE WITHOUT CHARGING ADDITIONAL FEES.

On motion of Senator Phillips the Chair extends courtesies of the gallery to Mrs. Louise Moore, of Lexington, North Carolina, wife of the Reverend Lamar Moore.

CHAPTERED BILL

The Enrolling Clerk reports the following bill properly enrolled, assigned the following Chapter Number, and presented to the Office of the Secretary of State:

H.B. 1284, AN ACT TO ALLOW ALAMANCE, ALEXANDER, DAVIDSON, DAVIE, AND WILKES COUNTIES TO ACQUIRE PROPERTY FOR USE BY THE COUNTY BOARDS OF EDUCATION. (Became law upon ratification, July 20, 1998 - S.L. 1998-48.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Hoyle for the **Finance Committee**:

H.B. 794 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE SUBSTANTIVE CHANGES TO THE NORTH CAROLINA ENGINEERING AND LAND SURVEYING ACT, with an unfavorable report as to Senate Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill No. 2, 3158 is adopted and engrossed.

RESOLUTIONS FROM ANOTHER STATE

The following resolutions received from another Legislative Body are presented to the Senate and are ordered filed in the Senate Principal Clerk's Office:

Alaska - HJR 59, Relating to an Amendment to the Constitution of the United States prohibiting desecration of the Flag of the United States; (*See Appendix.*) and

Alaska SCS HJR 57 (STA), Relating to an Amendment to the Constitution of the United States prohibiting federal courts from ordering a State or political subdivision of a State to increase or impose taxes. *(See Appendix.)*

REPORTS OF COMMITTEES *(Continued)*

By Senator Cooper for the **Judiciary Committee**:

S.B. 1244, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE CHILD SUPPORT ENFORCEMENT AGENCY SHALL REPRESENT OBLIGEES IN IV-D UIFSA CASES AND TO APPROPRIATE FUNDS, with a favorable report.

Pursuant to Rule 43, the bill is re-referred to the **Appropriations Committee**.

S.B. 1336, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE GOVERNOR'S DWI TASK FORCE AND THE JOINT CORRECTIONS AND CRIME CONTROL OVERSIGHT COMMITTEE TO REVISE THE DWI FORFEITURE LAWS AND OTHER RELATED LAWS; TO PROVIDE FOR "ZERO-TOLERANCE" FOR COMMERCIAL DRIVERS, DRIVERS OF SCHOOL BUSES, SCHOOL ACTIVITY BUSES AND CHILD CARE VEHICLES, AND TO PROVIDE FOR IMMEDIATE ADMINISTRATIVE LICENSE REVOCATIONS FOR ALL PERSONS UNDER 21 YEARS OF AGE; AND TO ELIMINATE THE INFRACTION TREATMENT OF PURCHASE OR POSSESSION OF ALCOHOLIC BEVERAGES BY A 19 OR 20 YEAR OLD AND TO MAKE CONFORMING CHANGES, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 3641, which changes the title to read **S.B. 1336** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE GOVERNOR'S DWI TASK FORCE AND THE JOINT CORRECTIONS AND CRIME CONTROL OVERSIGHT COMMITTEE TO REVISE THE DWI FORFEITURE LAWS AND OTHER RELATED LAWS; TO PROVIDE FOR "ZERO-TOLERANCE" FOR COMMERCIAL DRIVERS, DRIVERS OF SCHOOL BUSES, SCHOOL ACTIVITY BUSES, AND CHILD CARE VEHICLES; AND TO PROVIDE FOR IMMEDIATE ADMINISTRATIVE LICENSE REVOCATIONS FOR ALL PERSONS UNDER TWENTY-ONE YEARS OF AGE, is adopted and engrossed.

On motion of Senator Cooper, the Committee Substitute bill is re-referred to the **Finance Committee**.

CALENDAR

Bills and a resolution on today's Calendar are taken up and disposed of, as follows:

S.J.R. 1603, A JOINT RESOLUTION HONORING LILLIAN E. CLEMENT, THE FIRST WOMAN TO SERVE IN THE NORTH CAROLINA GENERAL ASSEMBLY, ON THE SIXTIETH ANNIVERSARY OF THE NATIONAL ORDER OF WOMEN LEGISLATORS, upon second reading.

Without objection, on motion of Senator Cochrane, the Joint Resolution is read in its entirety.

Upon motion of Senator Cooper the remarks made by the Senators on Senate Joint Resolution 1603 are spread upon the Journal as follows:

Senator Cochrane:

"Thank you Mr. President. Ladies and Gentlemen of the Senate, 1998 is the sixtieth anniversary year for the National Order of Women Legislators. So we wanted to highlight that but in highlighting that it called attention to how did North Carolina get started with having women legislators. It is very interesting if you go back and look at our beginnings, because in the early years of this century, Lillian Exum Clement of Asheville wrote to her brother, 'Mankind has written millions of laws for thousands of years to enforce only eight fundamental ones. I am going to study the law.' And she did. She became a deputy sheriff in Buncombe County and went to law school at night, being privately tutored and finished in the top of her class. This decision set her on a history making course. In 1920, North Carolina became the first southern state to send a woman to its State Legislature. Ms. Clement was elected to the State House by a margin of

10,368 to 41. You know the party to which she belonged. Her election was made the more interesting by the fact that at the time of her nomination, she was ineligible to vote, since the nineteenth Amendment had not been ratified. It's perhaps indicative of that era that the *New York Times* newspaper expressed its admiration for the men of North Carolina for daring to set a precedence. And those of us serving in the Legislature today commend those men of that day for the opportunity that they gave us. Her election raised some interesting situations for both her and her colleagues who referred to her as 'Brother Exum.' When Ms. Clement married during her term, the General Assembly had to enact a special law to change her name for the Assembly roll-call. The original Legislators never envisioned the need for such as this. Many of her experiences were doubtless the same as all Legislators. When she introduced what has become known as the 'Clement Bill' calling for private voting booths and a secret ballot, she found herself deserted by all but a few of her own party. Critics believed that these methods, the voting booth and the secret ballot, would cause politicians to loose direct contact with their voters. After the defeat of the bill, Ms. Clement remarked, 'I've had a new sensation today, I have felt the steamroller go over me.' Displaying the tenacity that probably got her to the Legislature in the first place, the bill was re-introduced and passed at a later time. Ms. Clement would say of her election, 'I was afraid at first that men would oppose me because I am a woman but I don't feel that way now. I've always worked with men and I know them as they are. I have no false illusions or fears of them. I am by nature very conservative but I am firm in my convictions. I want to blaze a trail for other women. I know that years from now there will be many other women in politics but you do have to start a thing.' And start a thing she did. Although these Legislative halls were not immediately filled with women, Clement was followed by two more women House members before the Senate got around to seeking its first woman member. Gertrude D. McKee of Jackson County was elected in 1930 to the Senate. And she jokingly referred to her forty-nine male Senate colleagues as 'my children.' McKee was seriously considered as a gubernatorial nominee in the 1944 election. Over the years, a total of 105 women have served in the General Assembly. Between 1921 and 1959 only 13 women had served in this Legislature. But other first followed. Geraldine Nielson of Forsyth County was the first Republican woman elected to the Senate in 1967. Thelma Fisher of Transylvania County had been appointed in 1955 and was the first Republican woman to serve in the General Assembly but she was not elected. Alfreda Johnson Webb was the first African-American woman appointed to the House in 1971, although she was appointed after the Session and therefore never actually served in the Assembly. Annie Brown Kennedy of Forsyth did serve after her appointment in 1979. In the last election, 29 of the 170 legislators elected were women. Despite the fact that women legislators have represented opposing parties, different sections of the state, divergent opinions and diverse age groups, they almost always focused on reform, often championing improvements in the welfare of children and in education. Through the years, women have introduced bills regulating child labor, providing a minimum salary for teachers, requiring increased sanitation for dairy producers and outlawing marital rape. Because of the efforts of these women, the quality of North Carolina was and is improving. Women have now served as heads of committees, minority and majority leaders, speaker *Pro Tempore*. Many good things have been accomplished by all of these women, but there are still many things to do. We thank those women who came before us that set the example and we look forward to those who will continue our work. In this year of 1998 as we celebrate the sixty years of the National Order of Women Legislators, we are remembering Ms. Clement who said 'We do have to start a thing', and I can assure you that work is not finished. I commend the Resolution to you."

Senator Winner:

"Thank you. Thank you Senator Cochrane for your very well researched and stated remarks. It's hard for me to talk about the importance of women legislators without sounding very self-serving, so I will forego that, but I do want to take this opportunity to thank my women colleagues for the contributions, very different from each other, that each of you makes to this Body and for the work that you do to make this a better place. It's also hard for me to imagine the courage and strength of character that it must have taken for Lillian Clement to run for the North Carolina House of Representatives in 1920 before women even had the right to vote. She truly was a trailblazer and I do think it is important for us to remember and appreciate the courage of those who went before us and made our paths easier. And finally, I do feel a need to say that it's been seventy-five years since Lillian Clement was elected to the North Carolina House of Representatives and in 1998 women are up to twelve percent of the North Carolina Senate. So you cannot say that progress as been any too fast in this area."

Senator Perdue:

"Thank you Mr. President, members of the Senate. Today we thank Senator Cochrane and the members of the House and the Senate Women's Caucus for offering this Resolution to us. The Resolution today is about Lillian Clement. Last weekend many of us in this State probably in nearly every county also celebrated another event that is very special for women of America. One hundred and fifty years ago, the Seneca Falls Convention was held which marked the beginning of the Women's Rights Movement in America. It was a marvelous celebration throughout the country, as people recall what it was like to live both in Lillian Clement's time and one hundred and fifty years ago, when women could not only not vote, they couldn't own property, they had no right of participation in any type of civic or political process. In fact, if they were left a widow, they lost all their rights to their property and the rights to even see how their children were reared. And so what we are saying today as women members of this Body reaches far deeper than just the fact that we ourselves honor women who have served and served before us, and especially Lillian Clement. I would like to challenge the members of this Body to remember that the Women's Rights Movement was not that radical bra-burning movement that so many of us laughed about or dreaded or participated in. It was about what this country believes in and stands for. It was about a belief that America and North Carolina is a place where all people regardless of age, or sex, or color, or creed have equal rights and opportunity to participate in the public process and in the conversation that controls the way we live. I would commend this Resolution to you."

Senator Lucas:

"Thank you. Members of the Senate, in celebration of this one hundred and fiftieth anniversary of the Women's Rights Movement, it is only fitting that we pay special recognition to a woman who has paved the way for so many women to follow in North Carolina politics, the late Representative Lillian Exum Clement. It has been said that everything great which has ever happened to humanity has begun as a single thought in someone's mind. I want to thank Senator Cochrane for motivating even us today. On August 26, 1920, women in America were granted the right to exercise one of our most celebrated and critical freedoms, the right to vote. In 1921, a year later, representing Buncombe County as you heard Senator Cochrane mention, Lillian Exum Clement took the oath of office to become the first. We are told that she was elected, as has been mentioned, by 10,368 to 41 on an all-male ballot. The reason I say that is because that's power in politics, is it not? In Clement's own words she did say that she wanted to blaze

that trail and start a thing for women. And start a thing she did, Senator Cochrane, because you are the first female to be Senate Minority Leader, I think, and House Minority Leader. And I look at you Senator Perdue and I believe you are the first female Appropriations Chair in the Senate. And I think about Ellie Kinnaird being here from a very difficult county, and then Jeanne Lucas being the first African-American female in the Senate. History tells us that she did introduce seventeen bills and out of those seventeen bills, sixteen of them are now law. Thanks to Lillian, a visionary with unusual strength, as she stood before a crowd of antagonists who disapproved of her speaking on behalf of unwed mothers and they pelted her with eggs and rotten fruit because she was portraying effective leadership and service. Because of her, every young girl and woman in North Carolina can dare to realize her dream of exerting power and influencing positive change in North Carolina. Politics is no longer as usual and because of her legacy, business in North Carolina politics has never been, nor will it ever be the same. I close by saying thanks to this outstanding woman for letting it be known and letting it be shown that women can shatter the glass ceiling and that women can rise from the sticky floor of political exclusion. I commend the Resolution to you."

Senator Foxx:

"This is going to be the last time when we have an opportunity that I let these four women speak ahead of me because they have stolen much of the thunder that I wanted to say. I think Senator Winner's comments about being careful not to be self-seeking is very important to us as we talk about these things, but I wanted to point out something that Senator Lucas said that ought to be a model for all of us and that is that Lillian Exum Clement got seventeen bills introduced and sixteen are still law. Would that most of us would have that kind of legacy in an environment like that, and like Senator Winner said, I have had a hard time imagining what it must have been like here in Raleigh, being the first woman in this Legislature. I'm sure that the men were very gracious to her in many ways, but it must have been a very, very, awkward time. All men and women in this State owe her and the other pioneers a great debt because the women who come to this Legislature bring a perspective that is very, very important to this State and I think that we must remember that on a regular basis. One of the things that nobody has said though about Lillian Exum Clement that I think is very important is that she pointed out that there are no such things as women's issues. The things that she worked on were those issues that were important to everyone and I think that's something that we must all remember. There are no men's issues, there are no women's issues. There are issues that relate to human beings and she set a very high standard in that regard in pointing that out to us, that everything that she worked on was for all of us and not just for women. I commend the Resolution to you."

Senator Kinnaird:

"Thank you Mr. Chair. Thank you to Senator Cochrane for introducing this Resolution. I'm honored to be a member of this Body and have the privilege of addressing my colleagues on this Resolution. My path was made easier thanks to our first woman legislator, Lillian Clement. Lillian Clement was a courageous woman who stepped forward to run for the Legislature early in the process of women getting the vote. But she would not have been elected were it not also for the courage of those she represented. Women throughout her district, I'm sure, responded as did the men who voted for her. They saw that Lillian Clement was a leader who would make a good Legislator and were not afraid to give her their confidence through voting for her. We

who follow hope that we have fulfilled that confidence and prove once again that women serve the people of our great State very well. I commend the Resolution to you."

Senator Kerr:

"I was kind of interested in the history of everything combined in this Resolution, but one thing that came to my attention was that until women got the right to vote in 1920, they couldn't become notary publics. I've done some research and the first woman notary public in this State was Ruth Milton Fenton, who practiced with Mr. Frank Taylor in my law firm, and she practiced law, too, for over sixty years. I was able to authenticate the fact that six people made application and knowing Ruth, she got there first. After the eighteenth Amendment or nineteenth Amendment was passed, which you say was August 20, I was trying to remember who the Governor was, I think it was McLean, I was trying to research that but that's a small thing that a lot of my pages here, I have two lovely women from Wayne County, that not only could you not vote, but you couldn't be a notary public. I would like to honor the name of Ruth Milton Fenton who was the first female notary public in this State. She was a wonderful woman and I can tell you tales about Ms. Fenton. She liked me but she ran the office. We had no trust account then, we had one bank account. She always answered the phone, 'Hello.' She wrote all of Mr. Frank Taylor's checks and completely ran Mr. Frank Taylor, every check and everything. She would never answer the phone anything except 'Hello.' She typed everything out and she kept all the money and we had one bank account, we didn't have to worry about trust accounts and all these accounts. We would always run a little surplus because you used to bill for a few expenses and you'd run up a little credit in your bank account so I think we've always had the leadership of the women and certainly Ruth Milton Fenton has meant a lot to me 'cause she taught me how to practice law and she was the first lady notary public in North Carolina."

Senator Basnight:

"Thank you Mr. President, members of the Senate. It has been interesting to understand today that in North Carolina we all speak of being able to vote. Senator Cochrane, in 1920, is that what the time was? If you were a black lady I don't believe you were allowed to vote in 1920, so I think it only applied to white women at that time and the people of color after they passed what was considered at the time a nominal test, but I don't believe it was if you didn't have public schools to attend, you couldn't read very well and sometimes you were not even allowed to go to those schools that were available to you in certain areas of this State and there were certain tests that you would have to take which would disallow you from being able to vote at that time. I believe that it was E. V. Wilkins that told me the men got to vote first in the 50's, possibly if you were a person of color without the means testing, and then maybe it was in the 60's when ladies had the chance, the total freedom in North Carolina, without obstacles, to be able to test. Now my times may be a little bit off, so the total freedom of what was afforded some North Carolinians, women it being at the time, were not afforded at all until later in our history. My grandmother, I remember talking to her at times, and my mother as well, as those opportunities that were not quite the freedoms that we as the male population have today. So the elective process proved itself earlier on for the first time in our history in Buncombe County. And that is what we honor and celebrate today. There are so many supportive people that we have in the Senate today that are women and that are new to this environment it seems to be. I know that people that work in the Senate Office, the one that I am directly responsible for as your President *Pro Tempore*, is driven by women and they work long and hard, they are very bright, very smart, and they are able to do

things that you could not tell the difference by the sex, and I never understood why we had those difficulties from time to time and it certainly is the proper thing to do to recognize and understand that and I can remember some of the ladies that have worked here from Helen Marvin to Tally, to Hunt, to Seymour and others. And then those that we have today, Foxx, Cochrane, Perdue, Kinnaird, Lucas, and one that stands out for me, and you hate to pick one but I am going to be very honest about picking someone, and it is not going to be that she is just a woman, she happens to be a member of the Senate and I place her as a prize above and with and all of us and that is Senator Leslie Winner who will be leaving us this year to go back to her family. But she has been truly a guiding light for many of us as we watched her grow in a few short years of serving the people of this State. Senator Perdue, your contributions have been many as the first Appropriations Chair and I am sure that there are some Members that our Senator Soles will well remember who would roll over in their graves today if they knew the Appropriations Chair was not Kenneth Royall, but Beverly Perdue, a Senator in her own right; and Senator Cochrane, watch you make so many contributions on behalf of people of this State. Each and every one of you are just grand and you are very, very special, not because you are a woman but because you are a North Carolinian that deeply cares and concerns yourself with doing those simple things, those things that are right.
I commend this Resolution to you."

The Joint Resolution passes its second reading (50-0) and third reading with members standing and is ordered sent to the House of Representatives.

H.B. 1541 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW COMMUNITY COLLEGES TO USE THE PROCEEDS FROM THE SALE OR LEASE OF DONATED PROPERTY FOR SPECIFIC EDUCATIONAL PURPOSES, upon second reading.

Senator Lee offers Amendment No. 1 which is adopted (49-1).

The Senate Committee Substitute bill, as amended, passes its second (49-1) and third readings and is ordered engrossed and sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

S.B. 1569 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT (1) TO ALLOW CERTAIN RECYCLING FACILITIES AN INVESTMENT TAX CREDIT, A REFUNDABLE INCOME TAX CREDIT, A SALES TAX REDUCTION FOR CRANES AND MATERIALS HANDLING EQUIPMENT, A SALES TAX REFUND FOR CONSTRUCTION MATERIALS, A SALES TAX EXEMPTION FOR ELECTRICITY, AND A PROPERTY TAX EXEMPTION FOR RECYCLING PROPERTY; (2) TO ALLOW AIR COURIERS A SALES TAX REDUCTION FOR MATERIALS HANDLING EQUIPMENT USED AT A HUB, A SALES TAX EXEMPTION FOR AIRCRAFT LUBRICANTS AND PARTS USED AT A HUB, AND A PROPERTY TAX EXEMPTION FOR AIRCRAFT USED AT A HUB; (3) TO EXPAND THE INDUSTRIAL DEVELOPMENT FUND AND UTILITY ACCOUNT TO INCLUDE THE SAME BUSINESSES AS THE WILLIAM S. LEE ACT, TO EXPAND THE UTILITY ACCOUNT TO TIER TWO COUNTIES, TO RAISE THE MAXIMUM GRANT UNDER THE INDUSTRIAL DEVELOPMENT FUND, AND TO ALLOW LOCAL GOVERNMENTS TO USE PART OF THE INDUSTRIAL DEVELOPMENT FUND GRANT FUNDS TO ADMINISTER THE GRANT; (4) TO PROVIDE FOR THE DESIGNATION OF STATE DEVELOPMENT ZONES, TO PROVIDE A LOWER WAGE STANDARD, A HIGHER WORKER TRAINING

CREDIT, A ZERO THRESHOLD FOR THE INVESTMENT TAX CREDIT, AND AN ADDITIONAL JOBS TAX CREDIT WITHIN ZONES, AND TO GIVE ZONES PRIORITY FOR COMMUNITY DEVELOPMENT BLOCK GRANTS; AND (5) TO AMEND THE WILLIAM S. LEE ACT BY EXPANDING THE CENTRAL ADMINISTRATIVE OFFICE CREDIT TO GROSS PREMIUMS TAXES AND TO JOBS CREATED BEFORE THE PROPERTY IS CONSTRUCTED, BY PROVIDING THAT THE INVESTMENT TAX CREDIT THRESHOLD APPLIES ONLY ONCE FOR A TWO-YEAR PROJECT, BY EXPANDING THE INVESTMENT TAX CREDIT TO OPERATING LEASES FOR PROJECTS OVER ONE HUNDRED FIFTY MILLION DOLLARS, BY EXPANDING THE RESEARCH AND DEVELOPMENT TAX CREDIT, BY SIMPLIFYING THE WORKER TRAINING TAX CREDIT, BY IMPOSING A FEE FOR INCENTIVE APPLICANTS, BY EXTENDING THE CREDIT CARRY FORWARD PERIOD FOR PROJECTS OVER ONE HUNDRED FIFTY MILLION DOLLARS, BY PROVIDING FOR A SINGLE TIER DESIGNATION FOR TWO-COUNTY INDUSTRIAL PARKS, BY CLARIFYING THAT CREDITS ARE ALLOWED FOR BUSINESSES THAT ARE SOLD ONLY IF THERE IS IMMINENT CLOSURE OR AN EMPLOYEE BUYOUT, BY CLARIFYING THE METHOD OF CALCULATING THE INVESTMENT TAX CREDIT FOR LEASES, AND BY CLARIFYING THE DEFINITIONS OF THE TYPES OF BUSINESSES ELIGIBLE FOR INCENTIVES, for concurrence in the House Committee Substitute bill, upon second reading, which changes the title upon concurrence.

The Senate concurs in the House Committee Substitute bill on its second reading by roll-call vote, ayes 48, noes 2, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, Wellons, and Winner—48.

Voting in the negative: Senators Clark and Webster—2.

The House Committee Substitute bill remains on the Calendar for tomorrow, Wednesday, July 22, for further consideration upon third reading.

S.B. 1229, A BILL TO BE ENTITLED AN ACT TO ABOLISH TAX WAIVERS FOR THE TRANSFER OR DELIVERANCE OF A DECEDENT'S PROPERTY, for concurrence in House Amendment No. 1.

The Senate concurs in House Amendment No. 1 (50-0) and the measure is ordered enrolled and sent to the Governor.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 1252 House of Representatives
July 21, 1998

Mr. President:

Pursuant to your information that your Honorable Body failed to concur in the House Amendment # 1 and # 2 for SB 1252, A BILL TO BE ENTITLED AN ACT TO

SIMPLIFY AND MODIFY PRIVILEGE LICENSE AND EXCISE TAXES AND RELATED PERMIT FEES, the Speaker has appointed as conferees on the part of the House,

Representative Brawley,
Representative Capps,
Representative Rayfield, and
Representative Womble

to act with a like committee on the part of the Senate to the end that the differences existing between the two bodies may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

The President recognizes the following pages serving in the Senate this week:

James Samuel Autry, II, Stedman; E. Steven Ayres, Jr., Kernersville; Crystal Elaine Belch, Edenton; Eleanor Scott Best, Goldsboro; Merrill Gray Brinson, Greenville; Nathan Blair Clark, Waynesville; Kathleen Cure, Pittsboro; Jennifer Ann Franklin, Raleigh; Mary Jeannette Garber, Raleigh; Claire Lise Herminjard, Rocky Mount; Meredith Lynn Leihs, New Bern; Kamika McLean, Garner; Sarah McMillan, Raleigh; Amanda Newman, Wanchese; Crystal Renee Sanders, Clayton; Jared Lee Saunders, Huntersville; Khaalid S. Simpson, Raleigh; Elesha Speight, Raleigh; Susan Dunlap Stackhouse, Goldsboro; Katherine Strawn, Knightdale; Thomas Blair Sweeney, Hickory; Emma Jayne Tart, Angier; Phillip Arthur Truax, Garner; Victoria L. Van Essen, Chapel Hill; Lindsey Laura White, Hatteras; and Adrian Tyrone Whittenburg, Garner.

On motion of Senator Basnight, seconded by Senators Cochrane, Foxx, Kinnaird, Lucas, Perdue, and Winner, the Senate adjourns at 3:00 P.M. to meet tomorrow, Wednesday, July 22, at 2:00 P.M.

ONE HUNDRED SIXTY-SIXTH DAY

Senate Chamber
Wednesday, July 22, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Frank Weaver, Pastor of Watts Chapel Baptist Church, Durham, North Carolina, as follows:

"Dear Lord and Father of mankind, forgive our feverish ways, reclothe us in our rightful mind, in purer lives Thy service find, in deeper reverence praise.

"Glorious God, we thank Thee for these dedicated public servants who are willing to

sacrifice, struggle, and wrestle with the big and small governmental problems each day. Lord, bless them with mental, physical and spiritual strength to deliberate peacefully and jointly to find resolutions that will improve ultimately the lives of North Carolinians.

"God, grant us all the serenity to accept the things we cannot change, courage to change the things we can, and wisdom to know the difference. Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Shaw of Guilford.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Tuesday, July 21, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. William Sidney Farabow from High Point, North Carolina, who is serving the Senate as Doctor of the Day, and to Kay Boykin from Kinston, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 1229, AN ACT TO ABOLISH TAX WAIVERS FOR THE TRANSFER OR DELIVERANCE OF A DECEDENT'S PROPERTY.

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.B. 1103, AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FRANKLIN.

S.B. 1399, AN ACT TO ALLOW THE CITY OF DURHAM TO PARTICIPATE IN THE COST OF STORM DRAINAGE IMPROVEMENTS ON PRIVATE PROPERTY AND TO ALLOW PRIVATE PARTIES TO PAY OVER TIME FOR THEIR PORTION OF THE COST OF THE IMPROVEMENTS.

S.B. 1410, AN ACT TO ALLOW THE TOWN BOARD TO ANNEX AN AREA TO THE TOWN OF CHADBOURN.

S.B. 1451, AN ACT TO REPEAL THE CHARTER OF THE VILLAGE OF SLOOP POINT.

The President relinquishes the gavel to Senator Ballance, Deputy President Pro Tempore, who presides in the absence of the Lieutenant Governor.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the

following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1611, AN ACT TO CLARIFY THE PART OF THE CARTERET/CRAVEN COUNTY BOUNDARY MODIFIED BY CHAPTER 207 OF THE 1993 SESSION LAWS NOW THAT THE SURVEY REQUIRED BY THAT ACT HAS BEEN MADE. (Became law upon ratification, July 21, 1998 - S.L. 1998-49.)

H.B. 1661, AN ACT TO CLARIFY THE AUTHORITY OF THE CITY OF DURHAM TO PROVIDE STATIONARY CONTAINER SERVICE TO HOUSING UNITS THAT QUALIFY FOR ROLL OUT CART SERVICE WITHOUT CHARGING ADDITIONAL FEES. (Became law upon ratification, July 21, 1998 - S.L. 1998-50.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Soles for the **Commerce Committee:**

S.B. 1280, A BILL TO BE ENTITLED AN ACT TO PROVIDE AN ALTERNATIVE PROCUREMENT BY COMPETITIVE PROPOSAL PROCEDURE FOR THE PURCHASE OF APPARATUS, SUPPLIES, MATERIALS, OR EQUIPMENT BY A REGIONAL PUBLIC TRANSPORTATION AUTHORITY OR A REGIONAL TRANSPORTATION AUTHORITY, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 3643 is adopted and engrossed.

By Senator Albertson for the **Agriculture/Environment/Natural Resources Committee**:

H.B. 1529 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT, with an unfavorable report as to Committee Substitute bill No. 2, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 1601 is adopted and engrossed.

By Senator Jenkins for the **Pensions & Retirement and Insurance Committee**:

H.B. 1277, A BILL TO BE ENTITLED AN ACT TO ALLOW THE PUBLIC WORKS COMMISSION OF THE CITY OF FAYETTEVILLE TO PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, with a favorable report.

H.B. 1522, A BILL TO BE ENTITLED AN ACT TO ALLOW MEMBERS OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE SERVICE RENDERED AS A PART-TIME TEACHER OR STATE EMPLOYEE AND TO ALLOW MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE SERVICE RENDERED AS A LOCAL

GOVERNMENTAL EMPLOYEE, with a favorable report.

Pursuant to Rule 43, the bill is re-referred to the **Appropriations Committee**.

H.B. 1525, A BILL TO BE ENTITLED AN ACT TO REPEAL THE ACT ESTABLISHING A SUPPLEMENTARY PENSION FUND FOR FIREMEN IN THE CITY OF LAURINBURG, with a favorable report.

S.B. 843, (House Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO REPEAL OBSOLETE LAWS AND MAKE TECHNICAL AND CLARIFYING AMENDMENTS AND CORRECTIONS IN VARIOUS INSURANCE STATUTES; TO EXTEND THE EXPIRATION DATE OF THE 1986 RISK SHARING PLAN LAW; TO PROVIDE FOR THE LICENSING AND REGULATION OF ENTITIES THAT ADMINISTER WORKERS' COMPENSATION INSURANCE FOR GROUPS OF EMPLOYERS THAT SELF-INSURE; AND TO AMEND THE LAW GOVERNING AGENTS, with an unfavorable report as to concurrence.

By Senator Kerr for the **Finance Committee**:

S.B. 882, A BILL TO BE ENTITLED AN ACT TO REQUIRE THAT THE CLEAR PROCEEDS OF ALL CIVIL PENALTIES AND CIVIL FORFEITURES THAT ARE COLLECTED BY STATE AGENCIES BE DEPOSITED IN THE STATE CIVIL PENALTY AND FORFEITURE FUND, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 7887, which changes the title to read **S.B. 882** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REQUIRE STATE AGENCIES TO DEPOSIT THE CLEAR PROCEEDS OF CIVIL PENALTIES AND CIVIL FORFEITURES INTO THE CIVIL PENALTY AND FORFEITURE FUND, is adopted and engrossed.

With unanimous consent, on motion of Senator Winner, the Committee Substitute bill is placed on the Calendar for Monday, July 27, upon second reading.

S.B. 1291 (Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION, REGIONAL PUBLIC TRANSPORTATION AUTHORITIES, AND REGIONAL TRANSPORTATION AUTHORITIES TO CREATE TRANSPORTATION CORRIDORS AND PROTECT THEM FROM DEVELOPMENT, AND TO INSURE PROPER NOTICE TO ALL PROPERTY OWNERS AFFECTED BY THE CORRIDORS, with an unfavorable report as to Committee Substitute bill No. 3, but favorable as to Committee Substitute bill No. 4.

Pursuant to Rule 45.1, the proposed Committee Substitute bill No. 4, 8848 is adopted and engrossed.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 794 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MAKE SUBSTANTIVE CHANGES TO THE NORTH CAROLINA ENGINEERING AND LAND SURVEYING ACT, upon second reading.

With unanimous consent, on motion of Senator Kerr, the Senate Committee Substitute bill No. 2 is withdrawn from today's Calendar and is placed on the Calendar for Monday, July 27, upon second reading.

S.B. 1263 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVIVE THE CHARTER OF THE TOWN OF UNIONVILLE, upon second reading.

With unanimous consent, on motion of Senator Plyler, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Thursday, July 23, upon second reading.

Senator Ballance, Deputy President Pro Tempore, relinquishes the gavel to the President of the Senate, Lieutenant Governor Wicker, who presides.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1333 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF LANDIS, for concurrence in the House Committee Substitute bill, which is placed on the Calendar for tomorrow, Thursday, July 23.

S.B. 1397 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE COUNTY OF DURHAM TO ALLOW FEES FOR STORMWATER MAINTENANCE, REPAIR, AND IMPROVEMENTS ON PRIVATE PROPERTY TO BE PAID OVER TIME AND BECOME A LIEN ON REAL PROPERTY, for concurrence in the House Committee Substitute bill No. 2, which is placed on the Calendar for tomorrow, Thursday, July 23.

H.B. 1546 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE CERTAIN MUNICIPALITIES TO CHARGE A FEE NOT TO EXCEED TEN DOLLARS FOR UNCERTIFIED COPIES OF POLICE INCIDENT OR ACCIDENT REPORTS AND TO AUTHORIZE THE CITY TO GIVE ANNUAL NOTICE OF VIOLATION TO CHRONIC VIOLATORS OF THE CITY'S OVERGROWN VEGETATION ORDINANCE.

Referred to **Finance Committee**.

H.B. 1568 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF ST. PAULS TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX.

Referred to **Finance Committee**.

H.B. 1583, A BILL TO BE ENTITLED AN ACT TO REQUIRE THAT GRANT FUNDS ADMINISTERED BY THE STATE FOR DOMESTIC VIOLENCE PROGRAMS BE ADMINISTERED BY ONE STATE AGENCY.

Referred to **Judiciary Committee**.

Upon motion of Senators Lucas and Gulley, the President of the Senate extends the courtesies of the gallery to Mrs. Queen Weaver, wife of the Reverend Frank Weaver, guest Minister, and to Mr. Bill Lucas, husband of Senator Jeanne Lucas.

CALENDAR *(Continued)*

S.B. 1569 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT (1) TO ALLOW CERTAIN RECYCLING FACILITIES AN INVESTMENT TAX CREDIT, A REFUNDABLE INCOME TAX CREDIT, A SALES TAX REDUCTION FOR CRANES AND MATERIALS HANDLING EQUIPMENT, A SALES TAX REFUND FOR CONSTRUCTION MATERIALS, A SALES TAX EXEMPTION FOR ELECTRICITY, AND A PROPERTY TAX EXEMPTION FOR RECYCLING PROPERTY; (2) TO ALLOW AIR COURIERS A SALES TAX REDUCTION FOR MATERIALS HANDLING EQUIPMENT USED AT A HUB, A SALES TAX EXEMPTION FOR AIRCRAFT LUBRICANTS AND PARTS USED AT A HUB, AND A PROPERTY TAX EXEMPTION FOR AIRCRAFT USED AT A HUB; (3) TO EXPAND THE INDUSTRIAL DEVELOPMENT FUND AND UTILITY ACCOUNT TO INCLUDE THE SAME BUSINESSES AS THE WILLIAM S. LEE ACT, TO EXPAND THE UTILITY ACCOUNT TO TIER TWO COUNTIES, TO RAISE THE MAXIMUM GRANT UNDER THE INDUSTRIAL DEVELOPMENT FUND, AND TO ALLOW LOCAL GOVERNMENTS TO USE PART OF THE INDUSTRIAL DEVELOPMENT FUND GRANT FUNDS TO ADMINISTER THE GRANT; (4) TO PROVIDE FOR THE DESIGNATION OF STATE DEVELOPMENT ZONES, TO PROVIDE A LOWER WAGE STANDARD, A HIGHER WORKER TRAINING CREDIT, A ZERO THRESHOLD FOR THE INVESTMENT TAX CREDIT, AND AN ADDITIONAL JOBS TAX CREDIT WITHIN ZONES, AND TO GIVE ZONES PRIORITY FOR COMMUNITY DEVELOPMENT BLOCK GRANTS; AND (5) TO AMEND THE WILLIAM S. LEE ACT BY EXPANDING THE CENTRAL ADMINISTRATIVE OFFICE CREDIT TO GROSS PREMIUMS TAXES AND TO JOBS CREATED BEFORE THE PROPERTY IS CONSTRUCTED, BY PROVIDING THAT THE INVESTMENT TAX CREDIT THRESHOLD APPLIES ONLY ONCE FOR A TWO-YEAR PROJECT, BY EXPANDING THE INVESTMENT TAX CREDIT TO OPERATING LEASES FOR PROJECTS OVER ONE HUNDRED FIFTY MILLION DOLLARS, BY EXPANDING THE RESEARCH AND DEVELOPMENT TAX CREDIT, BY SIMPLIFYING THE WORKER TRAINING TAX CREDIT, BY IMPOSING A FEE FOR INCENTIVE APPLICANTS, BY EXTENDING THE CREDIT CARRY FORWARD PERIOD FOR PROJECTS OVER ONE HUNDRED FIFTY MILLION DOLLARS, BY PROVIDING FOR A SINGLE TIER DESIGNATION FOR TWO-COUNTY INDUSTRIAL PARKS, BY CLARIFYING THAT CREDITS ARE ALLOWED FOR BUSINESSES THAT ARE SOLD ONLY IF THERE IS IMMINENT CLOSURE OR AN EMPLOYEE BUYOUT, BY CLARIFYING THE METHOD OF CALCULATING THE INVESTMENT TAX CREDIT FOR LEASES, AND BY CLARIFYING THE DEFINITIONS OF THE TYPES OF BUSINESSES ELIGIBLE FOR INCENTIVES, for concurrence in House Committee Substitute upon third reading, which changes the title upon concurrence.

The Senate concurs in the House Committee Substitute bill on its third reading by roll-call vote, ayes 46, noes 2, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Carpenter, Carrington, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx,

Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Soles, Warren, Weinstein, Wellons, and Winner—46.

Voting in the negative: Senators Clark and Webster—2.

The House Committee Substitute bill is ordered enrolled and sent to the Governor.

The President of the Senate extends the courtesies of the floor to Henson Barnes, former President Pro Tempore of the Senate from Wayne County, and to Bob Warren, former Senator from Johnston County.

REPORTS OF COMMITTEES *(Continued)*

By Senator Hoyle for the **Finance Committee**:

H.B. 1352, A BILL TO BE ENTITLED AN ACT TO REPEAL THE INITIATIVE AND REFERENDUM AUTHORITY OF CABARRUS COUNTY AND THE CITY OF CONCORD, with a favorable report.

H.B. 1549, A BILL TO BE ENTITLED AN ACT TO INCREASE THE FINE FOR DRIVING A VEHICLE ON THE BEACH IN CURRITUCK COUNTY, with a favorable report.

On motion of Senator Basnight, seconded by Senators Kerr and Wellons, the Senate adjourns at 2:24 P.M. to meet tomorrow, Thursday, July 23, at 11:00 A.M.

ONE HUNDRED SIXTY-SEVENTH DAY

Senate Chamber
Thursday, July 23, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, among other things on the agenda we know that the House version of Budget is on its way back to this Chamber. It won't look, feel, smell, sound, or taste much like the version agreed upon by the Senators.

"Because of that, in the negotiations that ensue, remind all involved that the key Beatitude is the first, 'Blessed are the poor in spirit'- the rest are elaborations of it.

"The poor in spirit are we who, stripped of self-sufficiency, self-security, and self-righteousness, have discovered the deepest truth about ourselves, that we are bankrupt without You, Oh God.

"That may be the best place from which to start any negotiations on any matter. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Lee, Senator Shaw of Guilford, Senator Webster, and Senator Winner.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Wednesday, July 22, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Amzi Jefferson Ellington, Jr. from Burlington, North Carolina, who is serving the Senate as Doctor of the Day, and to Kim Bernhardt-Tindal from Gastonia, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 1569, AN ACT (1) TO ALLOW CERTAIN RECYCLING FACILITIES AN INVESTMENT TAX CREDIT, A REFUNDABLE INCOME TAX CREDIT, A SALES TAX REDUCTION FOR CRANES AND MATERIALS HANDLING EQUIPMENT, A SALES TAX REFUND FOR CONSTRUCTION MATERIALS, A SALES TAX EXEMPTION FOR ELECTRICITY, AND A PROPERTY TAX EXEMPTION FOR RECYCLING PROPERTY; (2) TO ALLOW AIR COURIERS A SALES TAX REDUCTION FOR MATERIALS HANDLING EQUIPMENT USED AT A HUB, A SALES TAX EXEMPTION FOR AIRCRAFT LUBRICANTS AND PARTS USED AT A HUB, AND A PROPERTY TAX EXEMPTION FOR AIRCRAFT USED AT A HUB; (3) TO EXPAND THE INDUSTRIAL DEVELOPMENT FUND AND UTILITY ACCOUNT TO INCLUDE THE SAME BUSINESSES AS THE WILLIAM S. LEE ACT, TO EXPAND THE UTILITY ACCOUNT TO TIER TWO COUNTIES, TO RAISE THE MAXIMUM GRANT UNDER THE INDUSTRIAL DEVELOPMENT FUND, AND TO ALLOW LOCAL GOVERNMENTS TO USE PART OF THE INDUSTRIAL DEVELOPMENT FUND GRANT FUNDS TO ADMINISTER THE GRANT; (4) TO PROVIDE FOR THE DESIGNATION OF STATE DEVELOPMENT ZONES, TO PROVIDE A LOWER WAGE STANDARD, A HIGHER WORKER TRAINING CREDIT, A ZERO THRESHOLD FOR THE INVESTMENT TAX CREDIT, AND AN ADDITIONAL JOBS TAX CREDIT WITHIN ZONES, AND TO GIVE ZONES PRIORITY FOR COMMUNITY DEVELOPMENT BLOCK GRANTS; AND (5) TO AMEND THE WILLIAM S. LEE ACT BY EXPANDING THE CENTRAL ADMINISTRATIVE OFFICE CREDIT TO GROSS PREMIUMS TAXES AND TO JOBS CREATED BEFORE THE PROPERTY IS CONSTRUCTED, BY PROVIDING THAT THE INVESTMENT TAX CREDIT THRESHOLD APPLIES ONLY ONCE FOR A TWO-YEAR PROJECT, BY EXPANDING THE INVESTMENT TAX CREDIT TO OPERATING LEASES FOR PROJECTS OVER ONE HUNDRED FIFTY MILLION DOLLARS, BY EXPANDING THE RESEARCH AND DEVELOPMENT TAX CREDIT, BY SIMPLIFYING THE WORKER TRAINING TAX CREDIT, BY IMPOSING A FEE FOR INCENTIVE APPLICANTS, BY EXTENDING THE CREDIT CARRY FORWARD PERIOD FOR PROJECTS OVER ONE HUNDRED FIFTY MILLION DOLLARS, BY PROVIDING FOR A SINGLE TIER DESIGNATION FOR TWO-COUNTY INDUSTRIAL PARKS, BY CLARIFYING THAT CREDITS ARE ALLOWED FOR BUSINESSES THAT ARE SOLD ONLY IF THERE IS IMMINENT

CLOSURE OR AN EMPLOYEE BUYOUT, BY CLARIFYING THE METHOD OF CALCULATING THE INVESTMENT TAX CREDIT FOR LEASES, AND BY CLARIFYING THE DEFINITIONS OF THE TYPES OF BUSINESSES ELIGIBLE FOR INCENTIVES.

The Chair orders the bill sent to the Governor by special messenger.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

S.B. 1103, AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF FRANKLIN. (Became law upon ratification, July 22, 1998 - S.L. 1998-51.)

S.B. 1399, AN ACT TO ALLOW THE CITY OF DURHAM TO PARTICIPATE IN THE COST OF STORM DRAINAGE IMPROVEMENTS ON PRIVATE PROPERTY AND TO ALLOW PRIVATE PARTIES TO PAY OVER TIME FOR THEIR PORTION OF THE COST OF THE IMPROVEMENTS. (Became law upon ratification, July 22, 1998 - S.L. 1998-52.)

S.B. 1410, AN ACT TO ALLOW THE TOWN BOARD TO ANNEX AN AREA TO THE TOWN OF CHADBOURN. (Became law upon ratification, July 22, 1998 - S.L. 1998-53.)

S.B. 1451, AN ACT TO REPEAL THE CHARTER OF THE VILLAGE OF SLOOP POINT. (Became law upon ratification, July 22, 1998 - S.L. 1998-54.)

REPORTS OF COMMITTEES

A bill is reported from a standing committee, read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Lucas for the **Children and Human Resources Committee:**

S.B. 1394, A BILL TO BE ENTITLED AN ACT TO AMEND THE ADOPTION LAWS PERTAINING TO ACCESS TO ADOPTION RECORDS, AND TO ESTABLISH AN ADOPTION REGISTRY, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 6861 is adopted and engrossed.

On motion of Senator Lucas, the Committee Substitute bill is re-referred to the **Appropriations Committee**.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1263 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVIVE THE CHARTER OF THE TOWN OF UNIONVILLE, upon second reading.

Senator Plyler offers Amendment No. 1 which is adopted (46-0).

The Committee Substitute bill, as amended, passes its second reading by roll-call vote, ayes 46, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Soles, Warren, Weinstein, and Wellons—46.

Voting in the negative: None.

The Committee Substitute bill, as amended, is ordered placed on the Calendar for Monday, July 27, upon third reading.

H.B. 1277, A BILL TO BE ENTITLED AN ACT TO ALLOW THE PUBLIC WORKS COMMISSION OF THE CITY OF FAYETTEVILLE TO PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1352, A BILL TO BE ENTITLED AN ACT TO REPEAL THE INITIATIVE AND REFERENDUM AUTHORITY OF CABARRUS COUNTY AND THE CITY OF CONCORD, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1525, A BILL TO BE ENTITLED AN ACT TO REPEAL THE ACT ESTABLISHING A SUPPLEMENTARY PENSION FUND FOR FIREMEN IN THE CITY OF LAURINBURG, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1549, A BILL TO BE ENTITLED AN ACT TO INCREASE THE FINE FOR DRIVING A VEHICLE ON THE BEACH IN CURRITUCK COUNTY, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

S.B. 1333 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF LANDIS, for concurrence in the House Committee Substitute bill, upon second reading.

The Senate concurs in the House Committee Substitute bill on its second reading by roll-call vote, ayes 46, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Soles, Warren, Weinstein, and Wellons—46.

Voting in the negative: None.

The House Committee Substitute bill remains on the Calendar for Monday, July 27, upon third reading.

S.B. 1397 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE COUNTY OF DURHAM TO ALLOW FEES FOR STORMWATER MAINTENANCE, REPAIR, AND IMPROVEMENTS ON PRIVATE PROPERTY TO BE PAID OVER TIME AND BECOME A LIEN ON REAL PROPERTY, for concurrence in House Committee Substitute No. 2 upon second reading, which changes the title upon concurrence.

The Chair rules that the bill does not require a call of the roll.

The Senate concurs in the House Committee Substitute bill No. 2 (46-0) and the measure is ordered enrolled.

H.B. 1529 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT, upon second reading.

With unanimous consent, on motion of Senator Albertson, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Monday, July 27, upon second reading.

S.B. 1280 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE AN ALTERNATIVE PROCUREMENT BY COMPETITIVE PROPOSAL PROCEDURE FOR THE PURCHASE OF APPARATUS, SUPPLIES, MATERIALS, OR EQUIPMENT BY A REGIONAL PUBLIC TRANSPORTATION AUTHORITY OR A REGIONAL TRANSPORTATION AUTHORITY, upon second reading.

The Committee Substitute bill passes its second (46-0) and third readings and is ordered sent to the House of Representatives.

S.B. 1291 (Committee Substitute No. 4), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION, REGIONAL PUBLIC TRANSPORTATION AUTHORITIES, AND REGIONAL TRANSPORTATION AUTHORITIES TO CREATE TRANSPORTATION CORRIDORS AND PROTECT THEM FROM DEVELOPMENT, AND TO INSURE PROPER NOTICE TO ALL PROPERTY OWNERS AFFECTED BY THE CORRIDORS, upon second reading.

Senator Kerr offers Amendment No. 1 which is adopted (46-0).

The Committee Substitute bill No. 4, as amended, passes its second (45-1) and third readings and is ordered engrossed and sent to the House of Representatives.

S.B. 843 (House Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO REPEAL OBSOLETE LAWS AND MAKE TECHNICAL AND CLARIFYING AMENDMENTS AND CORRECTIONS IN VARIOUS INSURANCE STATUTES; TO EXTEND THE EXPIRATION DATE OF THE 1986 RISK SHARING PLAN LAW; TO PROVIDE FOR THE LICENSING AND REGULATION OF ENTITIES THAT ADMINISTER WORKERS' COMPENSATION INSURANCE FOR GROUPS OF EMPLOYERS THAT SELF-INSURE; AND TO AMEND THE LAW GOVERNING AGENTS, for concurrence in House Committee Substitute No. 3, which changes the title upon concurrence.

The Senate fails to concur in House Committee Substitute bill No. 3 (0-46).

Senator Jenkins offers a motion that the Senate appoint conferees, which motion prevails.

A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

COMMITTEE REFERRAL RECALL

S.B. 1394, A BILL TO BE ENTITLED AN ACT TO AMEND THE ADOPTION LAWS PERTAINING TO ACCESS TO ADOPTION RECORDS, AND TO ESTABLISH AN ADOPTION REGISTRY, referred to the **Appropriations Committee** on July 23.

Pursuant to Rule 47(a), Senator Odom offers a motion that the bill be withdrawn from the **Appropriations Committee** and re-referred to the **Finance Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Appropriations Committee** and refers the measure to the **Finance Committee**.

H.B. 1522, A BILL TO BE ENTITLED AN ACT TO ALLOW MEMBERS OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE SERVICE RENDERED AS A PART-TIME TEACHER OR STATE EMPLOYEE AND TO ALLOW MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE SERVICE RENDERED AS A LOCAL GOVERNMENTAL EMPLOYEE, referred to the **Appropriations Committee** on July 22.

Pursuant to Rule 47(a), Senator Plyler offers a motion that the bill be withdrawn from the **Appropriations Committee** and placed on the Calendar for Tuesday, July 28, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Appropriations Committee** and places it on the Calendar for Tuesday, July 28.

REPORTS OF COMMITTEES *(Continued)*

Standing committee reports are submitted out of the regular order of business, bills are read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Albertson for the **Agriculture/Environment/Natural Resources Committee**:

H.B. 1462 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DIRECT THE COMMISSION FOR HEALTH SERVICES TO REQUIRE THAT EACH NEW SEPTIC TANK SYSTEM INCLUDE AN EFFLUENT FILTER AND AN ACCESS DEVICE, TO REQUIRE THE COMMISSION FOR HEALTH SERVICES TO DEVELOP STANDARDS FOR THESE FILTERS AND DEVICES, AND TO ADOPT THESE STANDARDS AS TEMPORARY RULES, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, with an unfavorable report as to Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 2402, which changes the title to read **H.B. 1462** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DIRECT THE COMMISSION FOR HEALTH SERVICES TO REQUIRE THAT CERTAIN NEW SEPTIC TANK SYSTEMS INCLUDE AN EFFLUENT FILTER AND AN ACCESS DEVICE, DEVELOP STANDARDS FOR THESE FILTERS AND DEVICES, AND ADOPT THESE STANDARDS AS TEMPORARY RULES, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, is adopted and engrossed.

By Senator Hoyle for the **Finance Committee**:

S.B. 396 (Committee Substitute), A BILL TO BE ENTITLED AN ACT RELATING TO CUMBERLAND COUNTY, with an unfavorable report as to Committee Substitute bill No. 1, but favorable as to Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Committee Substitute bill No. 2, A888, which changes the title to read **S.B. 396** (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR DOWNTOWN REVITALIZATION BY ALLOWING A CREDIT FOR CONTRIBUTIONS FOR DEVELOPMENT ZONE PROJECTS, is adopted and engrossed.

By Senator Kerr for the **Finance Committee**:

S.B. 1241 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, AND TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, with an unfavorable report as to Committee Substitute bill No. 1, but favorable as to Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Committee Substitute bill No. 2, 2904, which changes the title to read **S.B. 1241** (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, TO EXTEND THE SUNSET ON THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT, AND TO AMEND THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT TO PROVIDE AN INCENTIVE FOR INVESTMENT IN SMALL FILM PRODUCTION BUSINESSES, is adopted and engrossed.

With unanimous consent, on motion of Senator Hoyle, the Committee Substitute bill No. 2 is placed on the Calendar for Tuesday, July 28, upon second reading.

APPOINTMENT OF CONFERENCE COMMITTEE

S.B. 843, (House Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO REPEAL OBSOLETE LAWS AND MAKE TECHNICAL AND CLARIFYING AMENDMENTS AND CORRECTIONS IN VARIOUS INSURANCE STATUTES; TO EXTEND THE EXPIRATION DATE OF THE 1986 RISK SHARING PLAN LAW; TO PROVIDE FOR THE LICENSING AND REGULATION OF ENTITIES THAT ADMINISTER WORKERS' COMPENSATION INSURANCE FOR GROUPS OF EMPLOYERS THAT SELF-INSURE; AND TO AMEND THE LAW GOVERNING AGENTS.

Pursuant to the motion by Senator Jenkins to appoint conferees having prevailed earlier, the President *Pro Tempore* appoints Senator Jenkins, Chairman, and Senators Reeves, Soles, Rand, and Carrington as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body on such action and requesting conferees.

On motion of Senator Basnight, seconded by Senator Warren, the Senate adjourns at 11:44 A.M. to meet Monday, July 27, at 7:00 P.M.

ONE HUNDRED SIXTY-EIGHTH DAY

Senate Chamber
Monday, July 27, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Honorable Howard N. Lee, Senator from Orange County, as follows:

"At this point in our deliberation, it is a time when we must dig deep and call upon ourselves to have patience and in that spirit, let us pray.

"All wise and just God, we humbly pray for Your patience and mercy and ask You to bless all who serve in the Legislature of this State. We have been placed here to be servants of the common good and to search for ways by which all the people of our State might be served best by its laws and institutions. It is a difficult task that we have been called upon to accomplish. Some of the problems which beset our State seem beyond human resolution. We feel compelled to balance the needs between the poor and the rich; to protect the rights of the weak and the strong; to insure justice for the laborer and the employer; to protect environment from abuse and to provide jobs through industry for our people. In the face of such a complicated task we ask that You, in Your own mysterious way, guide each of us that we might faithfully execute Your Will. Help us to be merciful as we attempt to encourage the disheartened, strengthen the weary, give courage to the wavering, and help all who seek to know Your Will. We pray that what transpires in this Legislative Body will be acceptable in Your sight. This we pray. Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator Garwood, Senator Gulley, Senator Hartsell, Senator Jenkins, Senator Martin of Pitt, Senator Moore, and Senator Rucho.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, July 23, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Warner Leander Hall, Jr. from Raleigh, North Carolina, who is serving the Senate as Doctor of the Day, and to Susan Hohenhaus from Durham, North Carolina, who is serving the Senate as Nurse of the Day.

Upon motion of Senators Brad Miller and Eric Reeves of Wake County, the Chair is happy to extend courtesies of the gallery to the Garner Pirates baseball team and their Coach Ricky Martin. The Pirates are leaving on Thursday to represent North Carolina in the age 11 and under category in the AAU Baseball National Championship Games in Orlando, Florida. Team members are: Derrick Atwood, Trey Burnette, Marquis Frink, Drew Gurkin, Adam Hamrick, Michael Hill, Marc Locklear, Barrett Martin, Daniel Medlin, Matthew Medlin, Curt Powell, J. P. Primus, Blaine Summerlin and Walt Warner.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.B. 1397, AN ACT TO AUTHORIZE THE COUNTY OF DURHAM TO ALLOW FEES FOR STORMWATER MAINTENANCE, REPAIR, AND IMPROVEMENTS ON PRIVATE PROPERTY TO BE PAID OVER TIME AND BECOME A LIEN ON REAL PROPERTY.

H.B. 1277, AN ACT TO ALLOW THE PUBLIC WORKS COMMISSION OF THE CITY OF FAYETTEVILLE TO PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.

H.B. 1352, AN ACT TO REPEAL THE INITIATIVE AND REFERENDUM AUTHORITY OF CABARRUS COUNTY AND THE CITY OF CONCORD.

H.B. 1525, AN ACT TO REPEAL THE ACT ESTABLISHING A SUPPLEMENTARY PENSION FUND FOR FIREMEN IN THE CITY OF LAURINBURG.

H.B. 1549, AN ACT TO INCREASE THE FINE FOR DRIVING A VEHICLE ON THE BEACH IN CURRITUCK COUNTY.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

S.B. 1569, AN ACT (1) TO ALLOW CERTAIN RECYCLING FACILITIES AN INVESTMENT TAX CREDIT, A REFUNDABLE INCOME TAX CREDIT, A SALES TAX REDUCTION FOR CRANES AND MATERIALS HANDLING EQUIPMENT, A SALES TAX REFUND FOR CONSTRUCTION MATERIALS, A SALES TAX EXEMPTION FOR ELECTRICITY, AND A PROPERTY TAX EXEMPTION FOR RECYCLING PROPERTY; (2) TO ALLOW AIR COURIERS A SALES TAX REDUCTION FOR MATERIALS HANDLING EQUIPMENT USED AT A HUB, A SALES TAX EXEMPTION FOR AIRCRAFT LUBRICANTS AND PARTS USED AT A HUB, AND A PROPERTY TAX EXEMPTION FOR AIRCRAFT USED AT A HUB; (3) TO EXPAND THE INDUSTRIAL DEVELOPMENT FUND AND UTILITY ACCOUNT TO INCLUDE THE SAME BUSINESSES AS THE WILLIAM S. LEE ACT, TO EXPAND THE UTILITY ACCOUNT TO TIER TWO COUNTIES, TO RAISE THE MAXIMUM GRANT UNDER THE INDUSTRIAL DEVELOPMENT FUND, AND TO ALLOW LOCAL GOVERNMENTS TO USE PART OF THE INDUSTRIAL DEVELOPMENT FUND GRANT FUNDS TO ADMINISTER THE GRANT; (4) TO PROVIDE FOR THE DESIGNATION OF STATE DEVELOPMENT ZONES, TO PROVIDE A LOWER WAGE STANDARD, A HIGHER WORKER TRAINING CREDIT, A ZERO THRESHOLD FOR THE INVESTMENT TAX CREDIT, AND AN ADDITIONAL JOBS TAX CREDIT WITHIN ZONES, AND TO GIVE ZONES PRIORITY FOR COMMUNITY DEVELOPMENT BLOCK GRANTS; AND (5) TO AMEND THE WILLIAM S. LEE ACT BY EXPANDING THE CENTRAL

ADMINISTRATIVE OFFICE CREDIT TO GROSS PREMIUMS TAXES AND TO JOBS CREATED BEFORE THE PROPERTY IS CONSTRUCTED, BY PROVIDING THAT THE INVESTMENT TAX CREDIT THRESHOLD APPLIES ONLY ONCE FOR A TWO-YEAR PROJECT, BY EXPANDING THE INVESTMENT TAX CREDIT TO OPERATING LEASES FOR PROJECTS OVER ONE HUNDRED FIFTY MILLION DOLLARS, BY EXPANDING THE RESEARCH AND DEVELOPMENT TAX CREDIT, BY SIMPLIFYING THE WORKER TRAINING TAX CREDIT, BY IMPOSING A FEE FOR INCENTIVE APPLICANTS, BY EXTENDING THE CREDIT CARRY FORWARD PERIOD FOR PROJECTS OVER ONE HUNDRED FIFTY MILLION DOLLARS, BY PROVIDING FOR A SINGLE TIER DESIGNATION FOR TWO-COUNTY INDUSTRIAL PARKS, BY CLARIFYING THAT CREDITS ARE ALLOWED FOR BUSINESSES THAT ARE SOLD ONLY IF THERE IS IMMINENT CLOSURE OR AN EMPLOYEE BUYOUT, BY CLARIFYING THE METHOD OF CALCULATING THE INVESTMENT TAX CREDIT FOR LEASES, AND BY CLARIFYING THE DEFINITIONS OF THE TYPES OF BUSINESSES ELIGIBLE FOR INCENTIVES. (Became law upon approval of the Governor, July 23, 1998 - S.L. 1998-55.)

H.B. 1410, AN ACT TO EXTEND THE MORATORIUM ON ISSUING SHELLFISH CULTIVATION LEASES IN CORE SOUND, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE. (Became law upon approval of the Governor, July 24, 1998 - S.L. 1998-56.)

H.B. 1334, AN ACT TO INCREASE THE NUMBER OF CONTRACTORS ON THE BUILDING CODE COUNCIL AND TO REQUIRE COUNCIL TO CONSIDER THE IMPACT OF CODE CHANGES ON THE AFFORDABILITY OF RESIDENTIAL HOUSING. (Became law upon approval of the Governor, July 24, 1998 - S.L. 1998-57.)

H.B. 354, AN ACT TO ELIMINATE THE REQUIREMENT OF CERTIFIED MAIL NOTICE IN BOND FORFEITURE CASES. (Became law upon approval of the Governor, July 24, 1998 - S.L. 1998-58.)

S.B. 1129, AN ACT TO AMEND THE STATUTES GOVERNING THE CONSEQUENCES FOR PRINCIPALS IN SCHOOLS IDENTIFIED AS LOW-PERFORMING UNDER THE ABC'S PLAN, AND TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO DEVELOP PLANS TO ADDRESS THE NEEDS OF LOW-PERFORMING SCHOOLS. (Became law upon approval of the Governor, July 24, 1998 - S.L. 1998-59.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Shaw of Cumberland for the **Transportation Committee**:

H.B. 1304 (Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO RESTRUCTURE THE BOARD OF TRANSPORTATION, with an unfavorable report as to Committee Substitute bill No. 3, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 3162, which changes the title, upon concurrence to read **H.B. 1304** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REFORM THE BOARD OF TRANSPORTATION BY ALTERING ITS GOVERNANCE STRUCTURE, AUTHORIZING A NEW ETHICS POLICY, REQUIRING DISCLOSURE OF POLITICAL CONTRIBUTIONS BY BOARD MEMBERS, INCREASING PUBLIC PARTICIPATION IN ITS DECISIONS, AND CHANGING THE PENALTIES FOR MISUSE OF A DOT BOARD POSITION, is adopted and engrossed.

By Senator Cooper for the **Judiciary Committee**:

S.B. 1228, A BILL TO BE ENTITLED AN ACT TO ENHANCE THE CRIMINAL PROVISIONS FOR TAX VIOLATIONS, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill A890 is adopted and engrossed.

On motion of Senator Cooper, the Committee Substitute bill is re-referred to the **Appropriations Committee**.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1366 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE, for concurrence in the House Committee Substitute bill.

Referred to **Appropriations Committee**.

H.B. 1474 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE MOTOR VEHICLE LAWS TO CONFORM WITH FEDERAL LAW AND TO MAKE TECHNICAL AND OTHER CHANGES.

Referred to **Transportation Committee**.

H.B. 1579, A BILL TO BE ENTITLED AN ACT TO ALLOW THE COUNTY OF MONTGOMERY TO COLLECT UTILITY BILLS AS IF THEY WERE TAXES DUE TO THE COUNTY OF MONTGOMERY.

Referred to **Finance Committee**.

CALENDAR

Bills on tonight's Calendar are taken up and disposed of, as follows:

H.B. 1529 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT, upon second reading.

With unanimous consent, on motion of Senator Albertson, the Senate Committee Substitute bill, as amended, is withdrawn from tonight's Calendar and is re-referred to the **Finance Committee**.

H.B. 1462 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DIRECT THE COMMISSION FOR HEALTH SERVICES TO REQUIRE THAT CERTAIN NEW SEPTIC TANK SYSTEMS INCLUDE AN EFFLUENT FILTER AND AN ACCESS DEVICE, DEVELOP STANDARDS FOR THESE FILTERS AND DEVICES, AND ADOPT THESE STANDARDS AS TEMPORARY RULES, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, upon second reading.

With unanimous consent, on motion of Senator Albertson, the Senate Committee Substitute bill is withdrawn from tonight's Calendar and is re-referred to the **Agriculture/Environment/Natural Resources Committee**.

S.B. 1263 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVIVE THE CHARTER OF THE TOWN OF UNIONVILLE, upon third reading.

The President rules that Amendment No. 1 adopted on July 23 was material, constituting first reading on July 23. He further rules that the vote on SB 1263 tonight is upon second reading.

Upon the appearance of Senator Rucho in the Chamber, the Chair acknowledges his presence and the leave of absence previously granted is withdrawn.

Senator Plyler offers Amendment No. 2 which is adopted (43-0).

The Committee Substitute bill, as amended, passes its second reading by roll-call vote, ayes 43, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Horton, Hoyle, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, Wellons, and Winner—43.

Voting in the negative: None.

The Committee Substitute bill is ordered placed on the Calendar for tomorrow, Tuesday, July 28, upon third reading.

S.B. 1333 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF LANDIS, for concurrence in the House Committee Substitute bill, upon third reading.

The Senate concurs in the House Committee Substitute bill on its third reading by roll-call vote, ayes 43, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Horton, Hoyle, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, Wellons, and Winner—43.

Voting in the negative: None.

The House Committee Substitute bill is ordered enrolled.

H.B. 794 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MAKE SUBSTANTIVE CHANGES TO THE NORTH CAROLINA ENGINEERING AND LAND SURVEYING ACT, upon second reading.

The Senate Committee Substitute bill No. 2 passes its second reading by roll-call vote, ayes 43, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Horton, Hoyle, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, Wellons, and Winner—43.

Voting in the negative: None.

The Senate Committee Substitute bill No. 2 is ordered placed on the Calendar for tomorrow, Tuesday, July 28, upon third reading.

S.B. 396 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR DOWNTOWN REVITALIZATION BY ALLOWING A CREDIT FOR CONTRIBUTIONS FOR DEVELOPMENT ZONE PROJECTS AND TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO CONTINUE STUDYING DOWNTOWN REVITALIZATION, upon second reading.

The Committee Substitute bill No. 2 passes its second (43-0) and third readings and is ordered sent to the House of Representatives.

S.B. 882 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REQUIRE STATE AGENCIES TO DEPOSIT THE CLEAR PROCEEDS OF CIVIL PENALTIES AND CIVIL FORFEITURES INTO THE CIVIL PENALTY AND FORFEITURE FUND, upon second reading.

The Committee Substitute bill passes its second reading (43-0).

Senator Shaw of Guilford objects to third reading of the measure. Pursuant to Rule 50, the President orders the measure placed on the Calendar for tomorrow, Tuesday, July 28, upon third reading.

PERSONAL PRIVILEGE

With unanimous consent, on motion of Senator Horton, the remarks of Senator Jordan who rises to a point of personal privilege are spread upon the Journal, as follows:

"Mr. President and Members of this Body, I rise tonight and say a word or two in memory of two gentlemen, Officers Jacob Chestnut and John Gibson, who gave their lives last week. It was particularly interesting that these gentlemen served their country in the Armed Forces and again had an opportunity to serve their country as public servants in the Nation's Capitol. I'm indeed touched because Mr. Jacob Chestnut's family lives in the districts that Senator Albertson, Senator Ballantine, and I represent. So it's indeed touching for us. Also, in that incident, that school teacher who was caught in the crossfire was from Wilmington, so from New Hanover County up to Pender and Onslow County, we are touched. I hope that you will have each of these family members in your prayers, the family members of those fallen comrades who gave their lives, because they have a great deal of family throughout the United States, and from hearing everything that was said about these gentlemen, they were not only honorable, but they were a credit to their

communities and I hope that, Senator Basnight, you will certainly tonight adjourn in memory of those fallen gentlemen for all that they did for their country. Thank you."

PERSONAL PRIVILEGE

With unanimous consent, on motion of Senator Horton, the remarks of Senator Kinnaird who rises to a point of personal privilege are spread upon the Journal, as follows:

"Yesterday marked the anniversary of the Americans for Disabilities Act. This landmark legislation allowed people with disabilities to participate fully in all aspects and activities of life. The Governor has issued a Resolution in support of our disabled citizens. I want to relay to you an experience in my own personal life with a disabled person.

The pin that I'm wearing tonight is a symbol of the disabled. It was given to me by Ellen Perry after a long association with her. I first met Ellen Perry when I was the Mayor of Carrboro and she approached me about several problems and barriers she, as a disabled person with cerebral palsy, was encountering. Through the years working with Ellen, I learned a great deal about the problems in our community for the disabled. Throughout this length of time when we were working together, I appointed Ellen to our Transportation Advisory Committee. She serves there to this day, and also as Chair for several years. In fact, she is now an expert on transportation issues on the local level, on the state level, and on the national level, including all the attendant acronyms. She has served on several other committees, including the award-winning Orange County Disability Awareness Commission. Ellen has lived independently and held a job for sixteen years in my town. She is but one of many disabled citizens including judges, doctors, department heads, and other workers, as well as, many of you must know, those who bag your groceries in the grocery store. I was not aware of many of the problems, as well as the capabilities of the disabled before I met Ellen. Ellen has constantly reminded me and constantly prodded me to action. Without that, I probably would not have been as involved in these issues as I am now.

The pin depicts a person in a wheelchair lifting up in a balloon. We should all be mindful of their great contributions and their aspirations today. Thank you."

The President recognizes the following pages serving in the Senate this week:

Sarah Elizabeth Allen, Garner; Evelyn Rebecca Ballard, Durham; Hinda Boutrid, Raleigh; Sheena Brannock, Sparta; Caroline Briley, Kinston; Jason Brown, Raleigh; Kirissa Nicole Bryant, Smithfield; Elizabeth Lynnette Dalton, Rutherfordton; Jason Deitch, Raleigh; Keturi Sybil DeLong, Frisco; Akilah R. Ensley, Greenville; Julia G. Guthrie, Durham; William Jason Harrell, Raleigh; Christopher Patrick Hawkes, Cary; Bobby Hopkins, Kinston; Jennifer Nicole Jones, Bessemer City; Katherine Kershaw, Raleigh; Molly King, Raleigh; Tonya Nichole Lowery, Pembroke; Joseph Scott Marucheck, Raleigh; Daniel MacQuarrie Reeves, Raleigh; Dorothy Virginia Rowell, Raleigh; Sara Suzanne Salter, Raleigh; and Stacey Danette Sowell, Selma.

On motion of Senator Basnight, seconded by Senator Jordan, the Senate adjourns at 7:50 P.M. in memory of Officer Jacob Chestnut and Officer John Gibson, who were slain in our Nation's Capitol on July 24, to meet tomorrow, Tuesday, July 28, at 2:00 P.M.

ONE HUNDRED SIXTY-NINTH DAY

Senate Chamber
Tuesday, July 28, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Marc Basnight, President *Pro Tempore*, who presides in the absence of the Lieutenant Governor.

Prayer is offered by Dr. Dumas Harshaw, Pastor of the First Baptist Church, Raleigh, North Carolina, as follows:

"Dear Eternal God, in whom we live, and move, and have the uniqueness of our being, Thou who art the lamp for our feet, and the light for our path. We thank Thee for the benefits of another day of life, surrounded by the beauty of Your creation and the love of Your creatures. Our hearts are overjoyed, as we reflect upon the mercies and grace of life.

"Smile upon us today, and especially, upon the distinguished leaders, thinkers, and lawmakers, which make up this Legislative Body. We recognize the gravity of this hour, the responsibility of the task and the awesome privilege of this vocation. Grant now, dear Lord, the serenity to accept the things that cannot be changed, the courage to change the things that can be changed, and the wisdom to know the difference.

"Dear Lord, we gather in this sacred moment, fully conscious of the masses not present, but well represented, who need housing, food, education, healthcare, a safe and clean environment and a variety human services. We affirm that in times like these we need a Savior, in times like these we need an anchor, we are very sure that our anchor holds and grips the solid rock, that rock is Jesus, yes He is the One, that rock is Jesus, the only One, in whose Name we pray, Amen."

With unanimous consent, the President *Pro Tempore* grants leaves of absence for today to Senator Garwood, Senator Gulley, Senator Horton, Senator Jenkins, Senator Shaw of Cumberland, and Senator Winner.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Monday, July 27, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President *Pro Tempore* of the Senate extends courtesies of the floor to Dr. Robert Glen Jones from Raleigh, North Carolina, who is serving the Senate as Doctor of the Day, and to Sharon Cooney from Durham, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

H.B. 1541, AN ACT TO ALLOW COMMUNITY COLLEGES TO USE THE PROCEEDS FROM THE SALE OR LEASE OF DONATED PROPERTY FOR SPECIFIC EDUCATIONAL PURPOSES.

The Enrolling Clerk reports the following bill duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.B. 1333, AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF LANDIS.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

S.B. 1397, AN ACT TO AUTHORIZE THE COUNTY OF DURHAM TO ALLOW FEES FOR STORMWATER MAINTENANCE, REPAIR, AND IMPROVEMENTS ON PRIVATE PROPERTY TO BE PAID OVER TIME AND BECOME A LIEN ON REAL PROPERTY. (Became law upon ratification, July 27, 1998 - S.L. 1998-60.)

H.B. 1277, AN ACT TO ALLOW THE PUBLIC WORKS COMMISSION OF THE CITY OF FAYETTEVILLE TO PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM. (Became law upon ratification, July 27, 1998 - S.L. 1998-61.)

H.B. 1352, AN ACT TO REPEAL THE INITIATIVE AND REFERENDUM AUTHORITY OF CABARRUS COUNTY AND THE CITY OF CONCORD. (Became law upon ratification, July 27, 1998 - S.L. 1998-62.)

H.B. 1525, AN ACT TO REPEAL THE ACT ESTABLISHING A SUPPLEMENTARY PENSION FUND FOR FIREMEN IN THE CITY OF LAURINBURG. (Became law upon ratification, July 27, 1998 - S.L. 1998-63.)

H.B. 1549, AN ACT TO INCREASE THE FINE FOR DRIVING A VEHICLE ON THE BEACH IN CURRITUCK COUNTY. (Became law upon ratification, July 27, 1998 - S.L. 1998-64.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Albertson for the **Agriculture/Environment/Natural Resources Committee**:

H.B. 1433, A BILL TO BE ENTITLED AN ACT TO EXTEND THE STUDY OF THE ORGANIZATIONAL STRUCTURE AND ADMINISTRATIVE PLACEMENT OF THE PROGRAMS IN THE DIVISION OF ENVIRONMENTAL HEALTH OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND TO EXPAND THE SCOPE OF THE STUDY TO INCLUDE THE ORGANIZATION, FUNCTIONS, POWERS, AND DUTIES OF THE VARIOUS BOARDS, COMMISSIONS, AND COUNCILS HAVING JURISDICTION OVER ENVIRONMENTAL, PUBLIC HEALTH, AND NATURAL RESOURCES

PROGRAMS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, with a favorable report.

By Senator Soles for the **Commerce Committee:**

H.B. 1260 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE NORTH CAROLINA CODE OFFICIALS QUALIFICATION BOARD TO REQUIRE CODE-ENFORCEMENT OFFICIALS TO PARTICIPATE IN PROFESSIONAL DEVELOPMENT PROGRAMS AND TO RESTORE THE AUTHORITY OF LOCAL GOVERNMENTS TO ADOPT FLOODPLAIN MANAGEMENT ORDINANCES, with a favorable report.

Pursuant to Rule 43, the Committee Substitute bill is re-referred to the **Appropriations Committee**.

S.B. 1240, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE BUSINESS LICENSE INFORMATION OFFICE OF THE SECRETARY OF STATE'S OFFICE TO PROVIDE INFORMATION AND ASSISTANCE TO SMALL BUSINESSES, AS RECOMMENDED BY THE BUSINESS DEVELOPMENT STUDY COMMITTEE OF THE LEGISLATIVE RESEARCH COMMISSION, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 3615 is adopted and engrossed.

On motion of Senator Soles, the Committee Substitute bill is re-referred to the **Appropriations Committee**.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1241 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, TO EXTEND THE SUNSET ON THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT, AND TO AMEND THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT TO PROVIDE AN INCENTIVE FOR INVESTMENT IN SMALL FILM PRODUCTION BUSINESSES, upon second reading.

With unanimous consent, on motion of Senator Hoyle, the Committee Substitute bill No. 2 is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, July 29, upon second reading.

COMMITTEE REFERRAL RECALL

S.B. 1366 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE, referred to the **Appropriations Committee** on Monday, July 27.

Pursuant to Rule 47(a), Senator Plyler offers a motion that the House Committee Substitute bill be withdrawn from the **Appropriations Committee** and placed before the

Senate for immediate consideration, which motion prevails with unanimous consent.

The Chair orders the House Committee Substitute bill withdrawn from the **Appropriations Committee** and places it on the Calendar for today for immediate consideration.

The President Pro Tempore extends the privileges of the floor to Jim Speed, former Senator from Franklin County.

Upon motion of Senator Kinnaird and Senator Lucas, the President Pro Tempore extends the courtesies of the gallery to the North Carolina Democratic Women.

S.B. 1366 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE, for concurrence in the House Committee Substitute bill.

Upon the appearance of Senator Horton in the Chamber, the President Pro Tempore acknowledges his presence, and the leave of absence previously granted is withdrawn.

Senator Plyler calls the previous question, seconded by Senator Rand. The call is sustained (28-17).

The Senate fails to concur in the House Committee Substitute bill (19-26).

Senator Plyler offers a motion that the Senate appoint conferees, which motion prevails.

The President *Pro Tempore* appoints Senator Plyler, Chairman, and Senators Albertson, Ballance, Cooper, Dalton, Gulley, Hoyle, Jenkins, Jordan, Kerr, Lee, Lucas, Martin of Guilford, Martin of Pitt, Odom, Perdue, Phillips, Rand, Reeves, Warren, Weinstein, and Winner as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action and requesting conferees.

Senator Shaw of Guilford rises to a point of order under Rule 30 to explain his vote on Senate Bill 1366.

Senator Blust offers a motion that the Senate instruct the conferees to follow the dictate in Senate Rule 57 to consider only matters that are in difference in Senate Bill 1366.

The Chair rules the motion out of order.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A special message is received from the House of Representatives transmitting a bill which is read the first time and disposed of, as follows:

H.B. 860 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF CAROLINA SHORES FROM AN AREA PREVIOUSLY ANNEXED INTO THE TOWN OF CALABASH.

Referred to **Finance Committee.**

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 843 House of Representatives
July 27, 1998

Mr. President:

Pursuant to your information that your Honorable Body failed to concur in House Committee Substitute #3 for SB 843, A BILL TO BE ENTITLED AN ACT TO REPEAL OBSOLETE LAWS AND MAKE TECHNICAL AND CLARIFYING AMENDMENTS AND CORRECTIONS IN VARIOUS INSURANCE STATUTES; TO EXTEND THE EXPIRATION DATE OF THE 1986 RISK SHARING PLAN LAW; TO PROVIDE FOR THE LICENSING AND REGULATION OF ENTITIES THAT ADMINISTER WORKERS' COMPENSATION INSURANCE FOR GROUPS OF EMPLOYERS THAT SELF-INSURE; AND TO AMEND THE LAW GOVERNING AGENTS, the Speaker has appointed as conferees on the part of the House,

Representative Dockham, Chair;
Representative Hurley,
Representative Morgan,
Representative Gardner, and
Representative McComas

to act with a like committee on the part of the Senate to the end that the differences existing between the two bodies may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

The Senate recesses at 3:17 P.M. for the purpose of a **Finance Committee** meeting to consider H.B. 860, to reconvene at 3:22 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Marc Basnight, President *Pro Tempore* of the Senate.

REPORTS OF COMMITTEES *(Continued)*

By Senator Kerr for the **Finance Committee**:

H.B. 860 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF CAROLINA SHORES FROM AN AREA PREVIOUSLY ANNEXED INTO THE TOWN OF CALABASH, with a favorable report, as amended.

Pursuant to Rule 45.1, Committee Amendment No. 1 is adopted and engrossed.

CALENDAR *(Continued)*

S.B. 1263 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVIVE THE CHARTER OF THE TOWN OF UNIONVILLE, upon third reading.

The Committee Substitute bill, as amended on second reading, passes its third reading by roll-call vote, ayes 40, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Hartsell, Horton, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Reeves, Rucho, Shaw of Guilford, Soles, Webster, Weinstein, and Wellons—40.

Voting in the negative: None.

The Committee Substitute bill is ordered engrossed and sent to the House of Representatives.

H.B. 794 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MAKE SUBSTANTIVE CHANGES TO THE NORTH CAROLINA ENGINEERING AND LAND SURVEYING ACT, upon third reading.

The Senate Committee Substitute bill No. 2 passes its third reading by roll-call vote, ayes 43, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Hartsell, Horton, Hoyle, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—43.

Voting in the negative: None.

The Committee Substitute bill No. 2 is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 1304 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REFORM THE BOARD OF TRANSPORTATION BY ALTERING ITS GOVERNANCE STRUCTURE, AUTHORIZING A NEW ETHICS POLICY, REQUIRING DISCLOSURE OF POLITICAL CONTRIBUTIONS BY BOARD MEMBERS, INCREASING PUBLIC PARTICIPATION IN ITS DECISIONS, AND CHANGING THE PENALTIES FOR MISUSE OF A DOT BOARD POSITION, upon second reading.

Senator Perdue offers Amendment No. 1 which is adopted (43-0).

Senator Foxx offers Amendment No. 2 which is adopted (43-0).

Senator McDaniel offers Amendment No. 3 which fails of adoption (17-26).

Senator Blust offers Amendment No. 4.

Senator Perdue offers a perfecting Amendment No. 5 to Amendment No. 4.

The President *Pro Tempore* orders, without objection, Amendment No. 5 temporarily displaced.

The President *Pro Tempore* orders, without objection, the Senate Committee Substitute bill temporarily displaced with Amendment No. 4 and Amendment No. 5 pending.

With unanimous consent, the President Pro Tempore grants a leave of absence for the remainder of today's Session to Senator Carrington.

H.B. 1522, A BILL TO BE ENTITLED AN ACT TO ALLOW MEMBERS OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE SERVICE RENDERED AS A PART-TIME TEACHER OR STATE EMPLOYEE AND TO ALLOW MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES'

RETIREMENT SYSTEM TO PURCHASE SERVICE RENDERED AS A LOCAL GOVERNMENTAL EMPLOYEE, upon second reading.

The bill passes its second (42-0) and third readings and is ordered enrolled and sent to the Governor.

S.B. 882 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REQUIRE STATE AGENCIES TO DEPOSIT THE CLEAR PROCEEDS OF CIVIL PENALTIES AND CIVIL FORFEITURES INTO THE CIVIL PENALTY AND FORFEITURE FUND, upon third reading.

The Committee Substitute bill passes its third reading (43-0) and is ordered sent to the House of Representatives.

H.B. 1304 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REFORM THE BOARD OF TRANSPORTATION BY ALTERING ITS GOVERNANCE STRUCTURE, AUTHORIZING A NEW ETHICS POLICY, REQUIRING DISCLOSURE OF POLITICAL CONTRIBUTIONS BY BOARD MEMBERS, INCREASING PUBLIC PARTICIPATION IN ITS DECISIONS, AND CHANGING THE PENALTIES FOR MISUSE OF A DOT BOARD POSITION, temporarily displaced earlier, with Amendment No. 4 and Amendment No. 5 pending.

Senator Perdue withdraws Amendment No. 5.

Senator Blust withdraws Amendment No. 4.

Senator Cochrane offers Amendment No. 6 which is adopted (41-0).

The Senate Committee Substitute bill, as amended, passes its second reading (41-0).

Senator Shaw of Guilford objects to third reading of the measure. Pursuant to Rule 50, the President *Pro Tempore* orders the measure placed on the Calendar for tomorrow, Wednesday, July 29, upon third reading.

On motion of Senator Ballance, seconded by Senator Odom, the Senate adjourns at 4:26 P.M. to meet tomorrow, Wednesday, July 29, at 2:00 P.M.

ONE HUNDRED SEVENTIETH DAY

Senate Chamber
Wednesday, July 29, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Jimmy L. Bruce, Pastor of the Lutheran Church of the Living Word, Laurinburg, North Carolina, as follows:

"O Almighty and most gracious Heavenly Father and Creator of us all, with humility we come before Your throne of grace and mercy to acknowledge with praise and gratitude Your abiding presence and constant interest in all that pertains to our daily lives and activities. We give You thanks and praise for this day, and pray, O God, for a strong and vivid sense that You are always by our side to direct and lead us in all we do, or think, or say.

"Help all of us to make wise decisions as we seek to be about the business of running

this great State. May whatever is accomplished be in the best interest and benefit of all our men, women, and children, and most especially in accord with Your way, and Your Will and to Your glory. Forgive us of our many sins and help us to serve You better and love You more, as we strive to love our neighbor as ourselves. All this and whatever else You know we need even before we ask, we pray in Your most Holy and precious everliving and everlasting name. Amen."

Upon motion of Senator Plyler and Senator Purcell, the President of the Senate extends the courtesies of the gallery to Mrs. Sue Bruce, wife of the Reverend Jimmy Bruce, the guest Minister for today.

With unanimous consent, the President grants leaves of absence for today to Senator Gulley, Senator Jenkins, and Senator Moore.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Tuesday, July 28, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Paramjit Shergill from Kings Mountain, North Carolina, who is serving the Senate as Doctor of the Day, and to Leslie Hicks from Durham, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 1289, AN ACT TO CLARIFY THE AUTHORITY OF REGIONAL TRANSIT AUTHORITIES TO USE INSTALLMENT PURCHASE FINANCING.

H.B. 1522, AN ACT TO ALLOW MEMBERS OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE SERVICE RENDERED AS A PART-TIME TEACHER OR STATE EMPLOYEE AND TO ALLOW MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE SERVICE RENDERED AS A LOCAL GOVERNMENTAL EMPLOYEE.

The Enrolling Clerk reports the following bill duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.B. 1203, AN ACT TO ALLOW THE CITY OF CHARLOTTE TO CONTINUE TO LEVY STORMWATER FEES IF REVENUE BONDS HAVE BEEN ISSUED AND ARE OUTSTANDING.

CHAPTERED BILL

The Enrolling Clerk reports the following bill properly enrolled, assigned the following Chapter Number, and presented to the Office of the Secretary of State:

S.B. 1333, AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF LANDIS. (Became law upon ratification, July 28, 1998 - S.L. 1998-65.)

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1241 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, TO EXTEND THE SUNSET ON THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT, AND TO AMEND THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT TO PROVIDE AN INCENTIVE FOR INVESTMENT IN SMALL FILM PRODUCTION BUSINESSES, upon second reading.

With unanimous consent, on motion of Senator Hoyle, the Committee Substitute bill No. 2 is withdrawn from today's Calendar and is placed on the Calendar for Thursday, July 30, upon second reading.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1477 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE LEGISLATIVE COMMISSION ON PUBLIC SCHOOLS TO MAKE CHANGES IN LAWS, POLICIES, AND ADMINISTRATION TO IMPROVE THE QUALITY OF EDUCATION AND SAFETY IN THE STATE RESIDENTIAL SCHOOLS, TO IMPLEMENT THE ABC'S PROGRAM IN THE RESIDENTIAL SCHOOLS, TO AUTHORIZE STUDIES OF ISSUES OF CONCERN TO BLIND AND DEAF STUDENTS, TO REQUIRE AN AUDIT OF THE DIVISION OF SERVICES FOR THE DEAF AND HARD OF HEARING, TO REQUIRE THE DEVELOPMENT OF A THREE-YEAR PLAN TO ADDRESS THE CAPITAL NEEDS OF THE GOVERNOR MOREHEAD SCHOOL AND THE THREE STATE SCHOOLS FOR THE DEAF, AND TO MAKE APPROPRIATIONS TO IMPLEMENT THIS ACT.

Referred to **Education/Higher Education Committee.**

H.B. 1602, A BILL TO BE ENTITLED AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE TOWN OF ROWLAND.

Referred to **Finance Committee.**

The President relinquishes the gavel to Senator Ballance, Deputy President Pro Tempore, who presides in the absence of the Lieutenant Governor.

CALENDAR *(Continued)*

H.B. 860 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO

INCORPORATE THE TOWN OF CAROLINA SHORES FROM AN AREA PREVIOUSLY ANNEXED INTO THE TOWN OF CALABASH, upon second reading.

The Committee Substitute bill No. 2 passes its second reading by roll-call vote, ayes 46, noes 0 as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Horton, Hoyle, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—46.

Voting in the negative: None.

The Committee Substitute bill No. 2 is ordered placed on the Calendar for tomorrow, Thursday, July 30, upon third reading.

REPORT OF COMMITTEE

A standing committee report is submitted out of the regular order of business, bills are read by their titles, together with the report accompanying them, and take their place on the Calendar, as follows:

By Senator Soles for the **Commerce Committee:**

S.B. 1122, A BILL TO BE ENTITLED AN ACT TO RECODIFY EXISTING BINGO STATUTES AND TO REGULATE COMMERCIAL BINGO, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 3644 is adopted and engrossed.

On motion of Senator Soles, the Committee Substitute bill is re-referred to the **Finance Committee**.

S.B. 1135, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE TO ALLOW SHARED TENANT PROVIDERS TO OBTAIN LINE ACCESS FROM ANY CERTIFICATED LOCAL PROVIDER OF TELEPHONE SERVICE, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill A891, which changes the title to read **S.B. 1135** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE TO ALLOW SHARED TENANT PROVIDERS TO OBTAIN LINE ACCESS FROM ANY CERTIFICATED LOCAL PROVIDER OF TELEPHONE SERVICE AND TO ALLOW FLAT RATE ACCESS LINES TO PREMISES PROVIDING ACCOMMODATIONS TO TRANSIENT PATRONS, is adopted and engrossed.

COMMITTEE REFERRAL RECALL

S.B. 1559, A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE COMMISSION ON SMALL FAMILY FARM PRESERVATION, referred to **Rules and Operations of the Senate Committee** on June 1.

Pursuant to Rule 47(a), Senator Rand offers a motion that the bill be withdrawn from the **Rules and Operations of the Senate Committee** and re-referred to the

Appropriations Committee, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Rules and Operations of the Senate Committee** and refers the measure to the **Appropriations Committee**.

CALENDAR *(Continued)*

H.B. 1433, A BILL TO BE ENTITLED AN ACT TO EXTEND THE STUDY OF THE ORGANIZATIONAL STRUCTURE AND ADMINISTRATIVE PLACEMENT OF THE PROGRAMS IN THE DIVISION OF ENVIRONMENTAL HEALTH OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND TO EXPAND THE SCOPE OF THE STUDY TO INCLUDE THE ORGANIZATION, FUNCTIONS, POWERS, AND DUTIES OF THE VARIOUS BOARDS, COMMISSIONS, AND COUNCILS HAVING JURISDICTION OVER ENVIRONMENTAL, PUBLIC HEALTH, AND NATURAL RESOURCES PROGRAMS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, upon second reading.

The bill passes its second (47-0) and third readings and is ordered enrolled and sent to the Governor.

Senator Ballance, Deputy President Pro Tempore, relinquishes the gavel to the President of the Senate, Lieutenant Governor Wicker, who presides.

H.B. 1304 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REFORM THE BOARD OF TRANSPORTATION BY ALTERING ITS GOVERNANCE STRUCTURE, AUTHORIZING A NEW ETHICS POLICY, REQUIRING DISCLOSURE OF POLITICAL CONTRIBUTIONS BY BOARD MEMBERS, INCREASING PUBLIC PARTICIPATION IN ITS DECISIONS, AND CHANGING THE PENALTIES FOR MISUSE OF A DOT BOARD POSITION, upon third reading.

With unanimous consent, on motion of Senator Perdue, the bill is placed at the end of today's Calendar.

With unanimous consent, the President grants a leave of absence for the remainder of today's Session to Senator Shaw of Guilford.

CONFERENCE REPORT

S.B. 1252

Senator Hoyle for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon S.B. 1252, A BILL TO BE ENTITLED AN ACT TO SIMPLIFY AND MODIFY PRIVILEGE LICENSE AND EXCISE TAXES AND RELATED PERMIT FEES, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 1252, A BILL TO BE ENTITLED AN ACT TO SIMPLIFY AND MODIFY PRIVILEGE LICENSE AND EXCISE TAXES AND RELATED PERMIT FEES, Finance Committee Substitute Adopted 6/16/98, submit the following report:

The House recedes from House Amendment #1, the Senate concurs in House Amendment #2, and the Senate and House agree to the following amendments:

on page 7, lines 5 and 6, add between the lines a new section to read:

"Section 5.1 Article 2 of Chapter 105 of the General Statutes is amended by adding a new section to read:

'§ 105-38.1. Amusements - Motion picture shows.

(a) Tax. -- A privilege tax at the rate of one percent (1%) is imposed on the gross receipts of a person who is engaged in the business of operating a motion picture show for which an admission is charged. The tax is due when a return is due. A return is due by the 10th day after the end of each month and covers the gross receipts received during the previous month. If a person offers an entertainment or amusement that includes both a motion picture taxable in this section and an entertainment or amusement taxable under G.S. 105-37.1 or G.S. 105-38, the tax in G.S. 105-37.1 or G.S. 105-38, as appropriate, applies to the entire gross receipts and the tax levied in this section does not apply.

(b) Exemption. -- Gross receipts from a motion picture show promoted and managed by a qualifying corporation that operates a center for the performing and visual arts is exempt from the tax imposed under this section if the motion picture is shown at the center and if the showing of the motion pictures is not the primary purpose of the center. As used in this subsection, "qualifying corporation" and "center for the performing and visual arts" have the same meaning as in G.S. 105-40.';

and on page 17, lines 7 and 8, rewrite those lines to read:

"Section 31. Sections 1 through 5, 6 through 13, 27, and 28 of this act become effective July 1, 1999. Section 5.1 of this act becomes effective October 1, 1998. The remaining sections of this act become effective May 1, 1999."

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: July 29, 1998.

S/David W. Hoyle	S/C. Robert Brawley
S/John H. Kerr III	S/J. Russell Capps
S/John H. Carrington	S/John M. Rayfield
	S/Larry W. Womble
Conferees for the Senate	*Conferees for the House of Representatives*

The President rules that the Conference Report is material and submission constitutes the first reading of the measure. The President orders the Conference Report placed on the Calendar for tomorrow, Thursday, July 30, for adoption, upon second reading.

COMMITTEE REFERRAL RECALL

S.B. 1228, A BILL TO BE ENTITLED AN ACT TO ENHANCE THE CRIMINAL PROVISIONS FOR TAX VIOLATIONS referred to the **Appropriations**

Committee on July 27.

Pursuant to Rule 47(a), Senator Plyler offers a motion that the bill be withdrawn from the **Appropriations Committee** and placed on the Calendar for Thursday, July 30, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Appropriations Committee** and places it on the Calendar for Thursday, July 30.

The Senate recesses at 2:29 P. M. to reconvene at 2:39 P. M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

CALENDAR *(Continued)*

H.B. 1304 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REFORM THE BOARD OF TRANSPORTATION BY ALTERING ITS GOVERNANCE STRUCTURE, AUTHORIZING A NEW ETHICS POLICY, REQUIRING DISCLOSURE OF POLITICAL CONTRIBUTIONS BY BOARD MEMBERS, INCREASING PUBLIC PARTICIPATION IN ITS DECISIONS, AND CHANGING THE PENALTIES FOR MISUSE OF A DOT BOARD POSITION, upon third reading.

Senator Hoyle offers Amendment No. 7.

With unanimous consent, on motion of Senator Perdue, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, August 4, upon third reading, with Amendment No. 7 pending.

SPECIAL MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 1366

House of Representatives
July 29, 1998

Mr. President:

Pursuant to your information that your Honorable Body failed to concur in House Committee Substitute for SB 1366, A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE, the Speaker has appointed as conferees on the part of the House:

Representatives Holmes, Chair; Esposito, Creech, Crawford, Arnold, Baker, Bowie, Brawley, Cansler, Carpenter, Church, Clary, Daughtry, Dickson, Dockham, Gardner, Gray, Hill, Howard, Hunter, Ives, Justus, Kiser, McCombs, McMahan, Mitchell, Morgan, Oldham, Preston, Russell, Sherrill, Thompson, C. Wilson, and G. Wilson

to act with a like committee on the part of the Senate to the end that the differences existing between the two bodies may be adjusted.

Respectfully,
S/Denise G. Weeks
Principal Clerk

A special message is received from the House of Representatives transmitting a joint resolution which is read the first time and disposed of, as follows:

H.J.R. 1763, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF WILLIAM CLINTON "BUCK" HARRIS JR., FORMER MEMBER OF THE GENERAL ASSEMBLY.

On motion of Senator Rand, the rules are suspended, without objection, and the House Joint Resolution is placed before the Senate for immediate consideration.

With unanimous consent, on motion of Senator Basnight, the remarks of the Senators and the Chair memorializing the life and memory of William Clinton "Buck" Harris, Jr., former member of the General Assembly, are spread upon the Journal, as follows:

Senator Reeves:

"Thank you Mr. President. I'd like for the ladies and gentlemen of the Senate to know that family members of Buck Harris are present here with us today; Jean Harris, his wife; Sarah Harris, his daughter; Malcolm Harris, his son; and Malcolm's wife, Dugan, is here. Carson Harris, a granddaughter, and Catherine H. Badger have come to the Legislature to hear this resolution today. It is very interesting as I listen to the Resolution being read to note that Mr. Harris served in the Legislature from 1957 to 1962, serving under two of the greatest Governors this state has known, Luther Hodges and Terry Sanford. It is quite interesting to me that in that period of time, from '57 to 1960, was a time when the Legislature and the Governor's Office spent a lot of time wrestling with the Highway Commission and the Board of Transportation and made decisions with regard to highway planning, which is indeed an acute issue that we are dealing with right now. If you look through the history of his law firm, Poyner and Spruill, you would realize if you live in Raleigh that this man's history and the law firm's history are completely intertwined with the growth and vitality of Raleigh as we know it. Mr. Harris was indeed a very important person to our city's history and it is with sadness that we are here honoring his life on the passing of his death. I commend this resolution to you."

Senator Miller:

"Thank you Mr. President. I must say I did not know Buck Harris, but I certainly saw the shadow that he cast in the community. Although I did not know Mr. Harris, I do know several of the family members who are in the gallery and I certainly knew Mr. Harris' reputation in the Bar and in the community, and I also recommend this Resolution to you. "

Senator Rand:

"Thank you Mr. President. Ladies and gentlemen of the Senate, as a young man, shortly after I finished law school I had the opportunity and pleasure to practice law here in Raleigh in the middle 60's, and in doing so I had the opportunity to know Buck Harris and to come to understand his reputation and what he meant to Wake County and to Raleigh. He was a grand fellow, he was a splendid lawyer and he worked the bulk of his

life to make our community and the University of North Carolina and things we all love and cherish better for everybody with whom he came into contact. He was a grand man, Mr. President, and we will all miss him."

Senator Basnight:

"Thank you, Mr. President, members of the Senate. It is a great honor that I stand to speak on the resolution and give my respects to the past history of a man who has done so very much for the State and her people. As you look through the resolution and you read of many of the contributions that he made, you understand rather quickly that this is the kind of person that helped make North Carolina great. "

The Joint Resolution passes its second reading (45-0) and third reading with Members standing, and is ordered enrolled.

The President extends the courtesies of the gallery to the family of William Clinton "Buck" Harris, Jr. as follows:

"I believe on behalf of all the Senate, the Chair included, the Chair wishes to extend the courtesies of the gallery to the widow of Buck Harris, Jean Harris, and to the other friends and family that have come here today. We certainly thank you for sharing the life of this great North Carolinian and this great American."

On motion of Senator Basnight, seconded by Senator Miller, the Senate adjourns at 3:07 P.M. to meet tomorrow, Thursday, July 30, at 11:00 A.M.

ONE HUNDRED SEVENTY-FIRST DAY

Senate Chamber
Thursday, July 30, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Honorable Jeanne Hopkins Lucas, Senator from Durham County as follows:

"Father, it is with thanksgiving that we offer this prayer, acknowledging the awesome display of Your mighty power: the creation of heaven and earth, the creation of living creatures and the creation of male and female.

"Father, although You created us in Your powerful image, and blessed us to rule wisely over this world, some of us are constantly plagued by our (thorns in the flesh): insensitivity to needs, rivalry, competition and selfish motivations.

"These thorns in our flesh prevent us from achieving the greatest good for human kind. Help us to rely more on Your power than on our imperfections. As we deliberate on our desires for the budget appropriation, remind us that Your grace is sufficient for us, for Your power is made perfect in our weaknesses. Accept our prayer. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator

Albertson, Senator Carrington, Senator Gulley, Senator Jenkins, Senator Lee and Senator Moore.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Wednesday, July 29, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Donald Eugene Vaughn from Raleigh, North Carolina, who is serving the Senate as Doctor of the Day, and to Julie Taylor of Rocky Point, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

H.B. 1433, A BILL TO BE ENTITLED AN ACT TO EXTEND THE STUDY OF THE ORGANIZATIONAL STRUCTURE AND ADMINISTRATIVE PLACEMENT OF THE PROGRAMS IN THE DIVISION OF ENVIRONMENTAL HEALTH OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND TO EXPAND THE SCOPE OF THE STUDY TO INCLUDE THE ORGANIZATION, FUNCTIONS, POWERS, AND DUTIES OF THE VARIOUS BOARDS, COMMISSIONS, AND COUNCILS HAVING JURISDICTION OVER ENVIRONMENTAL, PUBLIC HEALTH, AND NATURAL RESOURCES PROGRAMS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

The Enrolling Clerk reports the following resolution duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.J.R. 1763, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF WILLIAM CLINTON "BUCK" HARRIS JR., FORMER MEMBER OF THE GENERAL ASSEMBLY. (Res. 38)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Miller for the **State Government, Local Government, and Personnel Committee:**

H.B. 1336, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR ANNUAL AUDITS OF THE LAKE WACCAMAW LOCAL ABC SYSTEM, with a favorable report.

S.B. 1238, A BILL TO BE ENTITLED AN ACT TO EXEMPT FORSYTH COUNTY FROM CERTAIN STATUTORY REQUIREMENTS IN THE RENOVATION OF FORMER TOBACCO FACTORIES FOR COUNTY GOVERNMENT OFFICES,

PARKING, AND RELATED FACILITY NEEDS, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 6863 is adopted and engrossed.

H.B. 1591, A BILL TO BE ENTITLED AN ACT REQUIRING THE CONSENT OF ORANGE COUNTY BEFORE LAND IN THAT COUNTY MAY BE CONDEMNED OR ACQUIRED BY A UNIT OF LOCAL GOVERNMENT OUTSIDE THAT COUNTY, with an unfavorable report as to bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 9017, which changes the title, upon concurrence, to read, **H.B. 1591** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT REQUIRING THE CONSENT OF CARTERET, CHATHAM, JONES, AND ORANGE COUNTIES BEFORE LAND IN THOSE COUNTIES MAY BE CONDEMNED OR ACQUIRED BY A UNIT OF LOCAL GOVERNMENT OUTSIDE THOSE COUNTIES, is adopted and engrossed.

By Senator Kerr for the **Finance Committee**:

H.B. 1307 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REQUIRE PAYMENT OF DELINQUENT TAXES FOR THE TOWN OF BANNER ELK BEFORE RECORDING DEEDS CONVEYING PROPERTY SUBJECT TO THE DELINQUENT TAXES, with a favorable report.

H.B. 1356 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO FACILITATE ELECTRONIC COMMERCE WITH AND BY PUBLIC AGENCIES OF THE STATE OF NORTH CAROLINA BY RECOGNIZING THE VALIDITY OF ELECTRONIC SIGNATURES AND BY AUTHORIZING THE SECRETARY OF STATE TO REGULATE ELECTRONIC SIGNATURES AND CERTIFICATION AUTHORITIES, with an unfavorable report as to Senate Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill No. 2, 2405 is adopted and engrossed.

COMMITTEE REFERRAL RECALL

S.B. 1394 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE ADOPTION LAWS PERTAINING TO ACCESS TO ADOPTION RECORDS, AND TO ESTABLISH AN ADOPTION REGISTRY, referred to the **Finance Committee** on July 23.

Pursuant to Rule 47(a), Senator Kerr offers a motion that the Committee Substitute bill be withdrawn from the **Finance Committee** and re-referred to the **Appropriations Committee**, which motion prevails with unanimous consent.

The Chair orders the Committee Substitute bill withdrawn from the **Finance Committee** and refers the measure to the **Appropriations Committee**.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1241 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, TO EXTEND THE SUNSET ON THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT, AND TO AMEND THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT TO PROVIDE AN INCENTIVE FOR INVESTMENT IN SMALL FILM PRODUCTION BUSINESSES, upon second reading.

With unanimous consent, on motion of Senator Hoyle, the Committee Substitute bill No. 2 is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, August 4, upon second reading.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills and resolutions are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1149 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REPEAL THE REQUIREMENT PERTAINING TO THE REIMBURSEMENT RATE FOR THE RESPITE CARE PROGRAM, for concurrence in the House Committee Substitute bill, which is placed on the Calendar for Monday, August 3.

H.B. 1518 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE EAGLE SCOUT SPECIAL REGISTRATION PLATES TO EAGLE SCOUTS OR THEIR PARENTS OR GUARDIANS AND TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE SMALLER REGISTRATION PLATES FOR MOTORCYCLES AND MOTORCYCLE TRAILERS.

Referred to **Transportation Committee** and upon a favorable report re-referred to **Finance Committee**.

CALENDAR *(Continued)*

H.B. 860 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF CAROLINA SHORES FROM AN AREA PREVIOUSLY ANNEXED INTO THE TOWN OF CALABASH, as amended, upon third reading.

The Committee Substitute bill No. 2, as amended, passes its third reading by roll-call vote, ayes 43, noes 0, as follows:

Voting in the affirmative: Senators Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Horton, Hoyle, Jordan, Kerr, Kinnaird, Ledbetter, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—43.

Voting in the negative: None.

The Committee Substitute bill No. 2, as amended, is ordered, without objection, sent to the House of Representatives by special messenger, for concurrence in Senate Amendment No. 1.

S.B. 1228 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ENHANCE THE CRIMINAL PROVISIONS FOR TAX VIOLATIONS, upon second reading.

The Committee Substitute bill passes its second reading by roll-call vote, ayes 44, noes 0, as follows:

Voting in the affirmative: Senators Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Horton, Hoyle, Jordan, Kerr, Kinnaird, Ledbetter, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—44.

Voting in the negative: None.

The Committee Substitute bill is ordered placed on the Calendar for Monday, August 3, upon third reading.

The President grants a leave of absence for the remainder of today's Session to Senator Weinstein.

S.B. 1135 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE TO ALLOW SHARED TENANT PROVIDERS TO OBTAIN LINE ACCESS FROM ANY CERTIFICATED LOCAL PROVIDER OF TELEPHONE SERVICE AND TO ALLOW FLAT RATE ACCESS LINES TO PREMISES PROVIDING ACCOMMODATIONS TO TRANSIENT PATRONS, upon second reading.

The Committee Substitute bill passes its second (43-0) and third readings and is ordered sent to the House of Representatives.

S.B. 1252 (Conference Report), A BILL TO BE ENTITLED AN ACT TO SIMPLIFY AND MODIFY PRIVILEGE LICENSE AND EXCISE TAXES AND RELATED PERMIT FEES, for adoption, upon second reading.

On motion of Senator Hoyle, the Senate adopts the Conference Report on its second reading by roll-call vote, ayes 43, noes 0, as follows:

Voting in the affirmative: Senators Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Horton, Hoyle, Jordan, Kerr, Kinnaird, Ledbetter, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Wellons, and Winner—43.

Voting in the negative: None.

The Conference Report remains on the Calendar for Monday, August 3, for adoption upon third reading.

APPOINTMENT OF CONFEREE

S.B. 1366, A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.

Senator Basnight, President *Pro Tempore*, announces the appointment of Senator

Wellons as a member of the Conference Committee.

On motion of Senator Basnight, seconded by Senator Reeves, the Senate adjourns at 11:35 A.M. to meet Monday, August 3, at 7:00 P.M.

ONE HUNDRED SEVENTY-SECOND DAY

Senate Chamber
Monday, August 3, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Almighty God, You have called us to be part of this Senate Family, and we experience all the same emotions in this considerably larger family as the one into which we were born -- joy, sadness, disagreement, and love. Thank you. We are challenged each day in this family to do and be our best by persons who don't bear our family name or race or culture. And yet we are the Senate family. Thank you.

"We come today, seeking Your peace. And often, Lord, you give us great peace. But sometimes You give us crisis. You disrupt our present circumstances in order to lead us to a new experience and new thinking.

"Help us to embrace not only Your gracious peace, but also Your gracious crisis. Do not leave us alone until You have had Your transforming way with us. Make us into all You would have us to be -- this the Senate Family. In Your Holy Name we pray, Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator East, Senator Garwood, Senator Jenkins, and Senator Webster.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, July 30, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. George P. Henderson, Jr. from Pinehurst, North Carolina, who is serving the Senate as Doctor of the Day, and to Brinkley Sugg from Raleigh, North Carolina, who is serving the Senate as Nurse of the day.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

S.B. 1203, AN ACT TO ALLOW THE CITY OF CHARLOTTE TO CONTINUE TO LEVY STORMWATER FEES IF REVENUE BONDS HAVE BEEN ISSUED AND ARE OUTSTANDING. (Became law upon ratification, July 29, 1998 - S.L. 1998-66.)

S.B. 186, AN ACT TO PROVIDE THAT THE GOVERNING BODY OF A TAXING UNIT MAY DELAY THE ACCRUAL OF INTEREST ON CERTAIN UNPAID PROPERTY TAXES. (Became law upon approval of the Governor, July 30, 1998 - S.L. 1998-67.)

H.B. 1368, AN ACT TO PROVIDE COMMUNITY COLLEGES WITH ADDITIONAL PURCHASING FLEXIBILITY. (Became law upon approval of the Governor, July 30, 1998 - S.L. 1998-68.)

S.B. 1229, AN ACT TO ABOLISH TAX WAIVERS FOR THE TRANSFER OR DELIVERANCE OF A DECEDENT'S PROPERTY. (Became law upon approval of the Governor, July 30, 1998 - S.L. 1998-69.)

S.B. 1289, AN ACT TO CLARIFY THE AUTHORITY OF REGIONAL TRANSIT AUTHORITIES TO USE INSTALLMENT PURCHASE FINANCING. (Became law upon approval of the Governor, July 30, 1998 - S.L. 1998-70.)

H.B. 1522, AN ACT TO ALLOW MEMBERS OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE SERVICE RENDERED AS A PART-TIME TEACHER OR STATE EMPLOYEE AND TO ALLOW MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE SERVICE RENDERED AS A LOCAL GOVERNMENTAL EMPLOYEE. (Became law upon approval of the Governor, July 30, 1998 - S.L. 1998-71.)

H.B. 1541, AN ACT TO ALLOW COMMUNITY COLLEGES TO USE THE PROCEEDS FROM THE SALE OR LEASE OF DONATED PROPERTY FOR SPECIFIC EDUCATIONAL PURPOSES. (Became law upon approval of the Governor, July 30, 1998 - S.L. 1998-72.)

REPORTS OF COMMITTEES

A bill is reported from a standing committee, read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Hoyle for the **Finance Committee**:

S.B. 1336 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE GOVERNOR'S DWI TASK FORCE AND THE JOINT CORRECTIONS AND CRIME CONTROL OVERSIGHT COMMITTEE TO REVISE THE DWI FORFEITURE LAWS AND OTHER RELATED LAWS; TO PROVIDE FOR "ZERO-TOLERANCE" FOR COMMERCIAL DRIVERS, DRIVERS OF SCHOOL BUSES, SCHOOL ACTIVITY BUSES AND CHILD CARE VEHICLES, AND TO PROVIDE FOR IMMEDIATE ADMINISTRATIVE LICENSE REVOCATIONS FOR ALL PERSONS UNDER 21 YEARS OF AGE; AND TO ELIMINATE THE INFRACTION TREATMENT OF PURCHASE OR POSSESSION OF ALCOHOLIC BEVERAGES BY A 19 OR 20 YEAR OLD AND TO MAKE CONFORMING CHANGES, with an unfavorable report as to Committee Substitute No. 1, but favorable as to Committee Substitute No. 2.

Pursuant to Rule 45.1, the proposed Committee Substitute bill No. 2, 6865 is adopted and engrossed.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1001 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE AN AMUSEMENTS TAX EXEMPTION FOR CERTAIN NONPROFIT ARTS ORGANIZATIONS AND COMMUNITY FESTIVALS, for concurrence in the House Committee Substitute bill, which is placed on the Calendar for tomorrow, Tuesday, August 4.

S.B. 1226 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE REVENUE LAWS AND RELATED STATUTES, for concurrence in the House Committee Substitute bill, which is placed on the Calendar for tomorrow, Tuesday, August 4.

H.B. 1309 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ALLOW BANNER ELK TO VOLUNTARILY ANNEX CERTAIN PROPERTY LOCATED WITHIN ITS EXTRATERRITORIAL PLANNING JURISDICTION EVEN THOUGH IT IS CLOSER TO THE VILLAGE OF SUGAR MOUNTAIN.

Referred to **Finance Committee**.

H.B. 1357 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR "BEST VALUE" INFORMATION TECHNOLOGY PROCUREMENTS.

Referred to **Commerce Committee**.

H.B. 1369 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CLARIFY COMMUNITY COLLEGES' AUTHORITY TO ENTER INTO LEASE PURCHASE AND INSTALLMENT PURCHASE CONTRACTS FOR EQUIPMENT.

Referred to **Finance Committee**.

H.B. 1629 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO REMOVE AN AREA FROM THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, TO ANNEX AN AREA AS DESCRIBED INTO THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, AND TO GIVE ADDITIONAL AUTHORITY TO THAT CITY TO MAKE VOLUNTARY SATELLITE ANNEXATIONS.

Referred to **State Government, Local Government, and Personnel Committee** and upon a favorable report re-referred to **Finance Committee**.

CALENDAR

Bills on tonight's Calendar are taken up and disposed of, as follows:

S.B. 1238 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO

EXEMPT FORSYTH COUNTY FROM CERTAIN STATUTORY REQUIREMENTS IN THE RENOVATION OF FORMER TOBACCO FACTORIES FOR COUNTY GOVERNMENT OFFICES, PARKING, AND RELATED FACILITY NEEDS, upon second reading.

The Committee Substitute bill passes its second and third readings and is ordered sent to the House of Representatives.

H.B. 1307 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REQUIRE PAYMENT OF DELINQUENT TAXES FOR THE TOWN OF BANNER ELK BEFORE RECORDING DEEDS CONVEYING PROPERTY SUBJECT TO THE DELINQUENT TAXES, upon second reading.

The Committee Substitute bill passes its second and third readings and is ordered enrolled.

H.B. 1336, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR ANNUAL AUDITS OF THE LAKE WACCAMAW LOCAL ABC SYSTEM, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1591 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT REQUIRING THE CONSENT OF CARTERET, CHATHAM, JONES, AND ORANGE COUNTIES BEFORE LAND IN THOSE COUNTIES MAY BE CONDEMNED OR ACQUIRED BY A UNIT OF LOCAL GOVERNMENT OUTSIDE THOSE COUNTIES, upon second reading.

The Senate Committee Substitute bill passes its second and third readings and is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

S.B. 1228 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ENHANCE THE CRIMINAL PROVISIONS FOR TAX VIOLATIONS, upon third reading.

The Committee Substitute bill passes its third reading by roll-call vote, ayes 42, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Gulley, Hartsell, Horton, Hoyle, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, and Wellons—42.

Voting in the negative: None.

The Committee Substitute bill is ordered sent to the House of Representatives.

H.B. 1356 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO FACILITATE ELECTRONIC COMMERCE WITH AND BY PUBLIC AGENCIES OF THE STATE OF NORTH CAROLINA BY RECOGNIZING THE VALIDITY OF ELECTRONIC SIGNATURES AND BY AUTHORIZING THE SECRETARY OF STATE TO REGULATE ELECTRONIC SIGNATURES AND CERTIFICATION AUTHORITIES, upon second reading.

With unanimous consent, on motion of Senator Plyler, the Senate Committee Substitute bill No. 2 is withdrawn from tonight's Calendar and is re-referred to the **Appropriations Committee**.

S.B. 1149 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REPEAL THE REQUIREMENT PERTAINING TO THE REIMBURSEMENT RATE FOR THE RESPITE CARE PROGRAM, for concurrence in the House Committee Substitute bill.

The Senate concurs in the House Committee Substitute bill (43-0) and the measure is ordered enrolled and sent to the Governor.

S.B. 1252 (Conference Report), A BILL TO BE ENTITLED AN ACT TO SIMPLIFY AND MODIFY PRIVILEGE LICENSE AND EXCISE TAXES AND RELATED PERMIT FEES, for adoption, upon third reading.

On motion of Senator Rand, the Senate adopts the Conference Report (44-0) on its third reading by roll-call vote, ayes 44, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Gulley, Hartsell, Horton, Hoyle, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, and Wellons—44.

Voting in the negative: None.

The Chair orders a message sent to the House of Representatives informing that Honorable Body of such action.

REPORTS OF COMMITTEES *(Continued)*

A standing committee report is submitted out of the regular order of business, a bill is read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Lee for the **Education/Higher Education Committee**:

S.B. 1125, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO AMEND VARIOUS EDUCATION LAWS, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 9515, which changes the title to read **S.B. 1125** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND VARIOUS EDUCATION LAWS, is adopted and engrossed.

The President recognizes the following pages serving in the Senate this week:

Bradley Cameron Bynum, Apex; Morgan Elizabeth Crowe, Calypso; Robert V. Dickerson, Charlotte; Rebekah Ann-Marie Dixon, Greenville; Mindie Do, Raleigh; Andrea Hollis Everett, Columbia; Brian S. Fleming, Rocky Mount; Corrie McPhail Forde, Raleigh; Lonnie Lee Gignac, Dallas; Frederick Daniel Graham, Fayetteville; Jerome Hodges IV, Rocky Mount; Laura S. Laughinghouse, Raleigh; Frederick Harrison Mabry III, Laurinburg; Courtney Ellis Monsour, Fayetteville; Tiara Parker, Greenville; Ryan Peoples, Raleigh; Brandy Perry, Wendell; Rebecca Perry, Rolesville; Conor Reeves, Guthrie, Oklahoma; Kendra Dwan Smith, Hudson; Dylan Stamer, Hillsborough; David R. Stroud, Rocky Mount; Leigh Coakley Tulloss, Clayton; and James Doug Wilkinson, Kenly.

COMMITTEE REFERRAL RECALL

H.J.R. 1234, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF BRADFORD VERDIZE LIGON, FORMER MEMBER OF THE GENERAL ASSEMBLY, referred to **Rules and Operations of the Senate Committee** on June 25, 1997.

Pursuant to Rule 47(a), Senator Rand offers a motion that the joint resolution be withdrawn from the **Rules and Operations of the Senate Committee** and placed on the Calendar for tomorrow, Tuesday, August 4, which motion prevails with unanimous consent.

The Chair orders the joint resolution withdrawn from the **Rules and Operations of the Senate Committee** and places it on the Calendar for Tuesday, August 4.

On motion of Senator Basnight, seconded by Senator Gulley, the Senate adjourns at 7:28 P.M. to meet tomorrow, Tuesday, August 4, at 2:00 P.M.

ONE HUNDRED SEVENTY-THIRD DAY

Senate Chamber
Tuesday, August 4, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, I think it was Longfellow who wrote that 'Thought takes people out of servitude into freedom.'

"Help us each day to use our freedom to think, to express our ideas, to use the gift of reason.

"But as we express our ideas and use our freedom to think and reason, inspire us to first search for all the truth so that when we speak we might know what we're talking about. For Your sake we pray, Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Jenkins.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Monday, August 3, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Don Clarence Chaplain from Burlington, North Carolina, who is serving the Senate as Doctor of the Day, and to Ginny Sutton from Pembroke, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 1149, AN ACT TO REPEAL THE REQUIREMENT PERTAINING TO THE REIMBURSEMENT RATE FOR THE RESPITE CARE PROGRAM.

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.B. 1307, AN ACT TO REQUIRE PAYMENT OF DELINQUENT TAXES FOR THE TOWN OF BANNER ELK BEFORE RECORDING DEEDS CONVEYING PROPERTY SUBJECT TO THE DELINQUENT TAXES.

H.B. 1336, AN ACT TO PROVIDE FOR ANNUAL AUDITS OF THE LAKE WACCAMAW LOCAL ABC SYSTEM.

The President extends the courtesies of the gallery to visitors from Duke University who are students from Hosei University in Japan.

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Albertson for the **Agriculture/Environment/Natural Resources Committee**:

H.B. 1415, A BILL TO BE ENTITLED AN ACT TO STRENGTHEN THE SEDIMENTATION POLLUTION CONTROL ACT OF 1973, AS RECOMMENDED BY THE SEDIMENTATION CONTROL COMMISSION AND THE ENVIRONMENTAL REVIEW COMMISSION, with a favorable report.

By Senator Cooper for the **Judiciary Committee**:

H.B. 1405, A BILL TO BE ENTITLED AN ACT TO AMEND SMALL CLAIMS PROCEDURE TO CLARIFY THAT THE DISTRICT COURT HAS AUTHORITY TO HEAR CERTAIN MOTIONS FOR RELIEF FROM MAGISTRATES' JUDGMENTS, with a favorable report.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a joint resolution is presented to the Senate, read the first time, and disposed of, as follows:

H.J.R. 1762, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF ERNEST BRYAN MESSER, FORMER MEMBER OF THE GENERAL ASSEMBLY, which is placed on the Calendar for tomorrow, Wednesday, August 5.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

House of Representatives
August 3, 1997

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that pursuant to a Proclamation issued by Governor James B. Hunt, Jr., on August 3, 1998, Daniel W. Barefoot has been administered the oath of office as a member of the House of Representatives for the remainder of the 1997 General Assembly. Representative Barefoot has been seated to fill the vacancy created by the resignation of the Honorable John R. Gamble, Jr. from the Forty-Fourth House District.

Respectfully,
S/Denise G. Weeks
Principal Clerk

The following special message is received from the House of Representatives:

S.B. 1252

House Representatives
August 3, 1997

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House has adopted the report of the Conferees on S.B. 1252, A BILL TO BE ENTITLED AN ACT TO SIMPLIFY AND MODIFY PRIVILEGE LICENSE AND EXCISE TAXES AND RELATED PERMIT FEES, to the end that when a similar action has been taken on the part of the Senate, you may order the bill enrolled.

Respectfully,
S/Denise G. Weeks
Principal Clerk

Pursuant to the Senate having adopted the Conference Report on third reading on August 3, the President orders the bill enrolled and sent to the Governor.

WITHDRAWAL FROM CALENDAR

H.J.R. 1762, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF ERNEST BRYAN MESSER, FORMER MEMBER OF THE GENERAL ASSEMBLY, placed on the Calendar for Wednesday, August 5.

Senator Plyler offers a motion that the joint resolution be withdrawn from the Calendar for Wednesday, August 5, and placed on today's Calendar, which motion prevails with unanimous consent.

The Chair orders the joint resolution withdrawn from the Calendar for Wednesday, August 5, and places it on today's Calendar.

CALENDAR

Bills and a resolution on today's Calendar are taken up and disposed of, as follows:

S.B. 1241 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, TO EXTEND THE SUNSET ON THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT, AND TO AMEND THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT TO PROVIDE AN INCENTIVE FOR INVESTMENT IN SMALL FILM PRODUCTION BUSINESSES, upon second reading.

With unanimous consent, upon motion of Senator Hoyle, the Committee Substitute bill No. 2 is placed at the end of today's Calendar.

S.B. 1125 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND VARIOUS EDUCATION LAWS, upon second reading.

Senator Lucas offers Amendment No. 1 which is adopted (47-0).

The Committee Substitute bill, as amended, passes its second (48-0) and third readings and is ordered engrossed and sent to the House of Representatives.

Senator Basnight and Senator Rand request to be recorded as voting "aye" on third reading.

S.B. 1336 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE GOVERNOR'S DWI TASK FORCE AND THE JOINT CORRECTIONS AND CRIME CONTROL OVERSIGHT COMMITTEE TO REVISE THE DWI FORFEITURE LAWS AND OTHER RELATED LAWS; TO PROVIDE FOR "ZERO-TOLERANCE" FOR COMMERCIAL DRIVERS, DRIVERS OF SCHOOL BUSES, SCHOOL ACTIVITY BUSES, AND CHILD CARE VEHICLES; AND TO PROVIDE FOR IMMEDIATE ADMINISTRATIVE LICENSE REVOCATIONS FOR ALL PERSONS UNDER TWENTY-ONE YEARS OF AGE, upon second reading.

Senator Winner offers Amendment No. 1 which is adopted (47-0).

The Committee Substitute bill No. 2, as amended, passes its second (47-1) and third readings and is ordered engrossed and sent to the House of Representatives.

H.J.R. 1234, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF BRADFORD VERDIZE LIGON, FORMER MEMBER OF THE GENERAL ASSEMBLY, upon second reading.

On motion of Senator Cochrane, the joint resolution is read in its entirety, and on motion of Senator Forrester, the remarks of the President of the Senate and the Senators memorializing the life and memory of Bradford Verdize Ligon, former member of the General Assembly, as spread upon the Journal, as follows:

Senator Cochrane:

"Thank you Mr. President. Ladies and gentlemen of the Senate, in 1980 it was not an easy thing for a Republican to decide to run for this North Carolina General Assembly. It

took courage, quite frankly, and it took a person of conviction and philosophy of the Republican Party. Commissioner Brad Ligon of Rowan County took upon himself that responsibility and was successful in it. I think it was because of the conviction he felt about his conservative values. There were only eighteen of us in the House in 1981 when he came to Raleigh and a body of 120 over in the House. There were only six Senators over here at that time, so you had to have a lot of conviction to survive down here and Brad did because he believed so strongly in the conservative philosophy, it had caused him to decide to put himself forward for public office in the first place. I often thought it was fitting that he had been a Marine because you know the old ad that you see on television about they need just a few good men. Brad was one of those. He was very special and set apart from other people. He was among the few. I've laughingly thought he probably voted 'no' more times than R.L. Clark. Now that ought to tell you a lot about the kind of person we're talking about here. And another thing that I was reminded of in the mid-eighties, he and another House member got together a voting record. It went from the far, far conservative to a category labeled Communist. And there were some people in that category and it was an interesting thing to read. It took a lot of thought on his part and a lot of work on the part of both of them. But that's how serious he was about his philosophy and how he felt about those who were on the opposite extreme of his good conservative philosophy. Brad Ligon was a morally upright man. He was faithful all of his life to his family and particularly to his wife, Jemelle. I remember in particular that as freshmen, and all of you have been through that, you usually go in small groups out to dinner. Brad always had to be a part of a group or at least if it was only one or two, there weren't no women. There was not going to be one suspicion of anything about Brad Ligon that would ever make Jemelle feel the least bit concern about his behavior down here. He was a true southern gentleman, Jemelle, his entire time in this Body. You could never have besmirched anything about him. He was a good father to his two sons, one of whom is here this afternoon. And a proud, proud grandfather of the two grandchildren he has, a grandson and a granddaughter. One thing that always sort of tied me especially to Brad, besides the fact of our philosophy and besides the fact that our counties that we served were beside each other, besides that we started in the House together, he got married on January 20. January 20 is my birthday, and his birthday was January 17, my daughter's birthday. We used to talk about things like that. Brad was very active in his church and community. I have visited in his church with him years ago and the feelings that the members of that church had for him only come about from a person who has given of his time and energy to the fellowship and activities of the church. That was very apparent when you were visiting there with him. I always admired the fact that he wasn't just a rhetorical person, he actually got out there in his community to try to make right those things that he saw were not as they should be for all kinds of people but particularly for those less fortunate. And he didn't just talk about helping candidates, he did. You know in the early days of his service in this General Assembly, to be willing to help other people become a little more noticeable when I recall that in one campaign we through, our faces where on posters encircled with slashes across them, you can't demean a person much more than that. Unfortunately it was inaccurate. It had to do with hazardous waste sighting and we had not supported that because we could see it coming to Rowan County but those kinds of things happen to somebody like Brad who is willing to step forward in the 1980's. It didn't stop Brad. Not only was he politically admired and admired as a family man and a person in the community who cared and worked for his community, he was professionally admired. Brad was a pharmacist, well regarded in his community. There were people who would follow him from one drugstore to another when he got moved around in the chain where he worked. And he didn't get moved very often. But it

was interesting to see the people go where Brad was because his advice and his dispensing their drugs mattered that much to him. And in the House he was often asked his opinion about Legislation that had to do with either medicine or just the medical profession in general. He was highly trained and his opinion was highly regarded. He was a man of a lot of common sense and this Body can use a bunch of those. We were pleased to have him in our delegation. He was always very personally loyal to the people that were his friends and that stood with him in the trenches. And as I think of Brad always, always, I will think of an American patriot. I commend the Resolution to you."

Senator Hartsell:

"Thank you Mr. President, members of the Senate. There are probably very few of you here who remember Brad Ligon. I had never met him before I came to the General Assembly, although I grew up and heard his name from an adjoining county. When I came down here he pulled me aside and told me, 'Son, you need to be quiet, speak only when spoken to, and tell the truth when you speak.' I remember those comments and I do remember particularly, as Senator Cochrane mentioned, that Brad probably holds the record having voted 'no' more than any Legislator perhaps in the General Assembly, I'm not sure. He was a man of very strong feelings. One of those feelings had to do with alcohol. Having served in a delegation that served the city of Kannapolis where there were many disagreements over time, the delegation with Brad Ligon and Coy Privette and several others, it became very interesting to discuss that subject on many occasions. And there was absolutely no question about how Brad felt about that particular subject. The fact of the matter, there was never any question in much of anyone's mind about any issue that Brad had thought about because he would tell you. He would tell you in a very direct way, in a very honest, and I think a caring way. Brad was a very humble man. I've always thought on my own tombstone, I'd like for someone to say that I was decent and honest. And I think that can be said of Brad, as much or perhaps better than anyone I have ever met. I commend this Resolution to you."

Senator Carpenter:

"Thank you Mr. President, ladies and gentlemen of the Senate. I think when you think of Brad Ligon, at least when I think of Brad, I think of him truly as an independent-thinking individual. He conducted himself like a man's man. As a Marine veteran, he thought like a Marine, independent thinking Legislator and I think he thought like and voted like an independent-thinking Legislator, if I can make myself clear on that point. He was an independent individual, he was a character's character. Jemelle, he was a pleasure to know and a pleasure to be around. We miss him. I support the Resolution."

Senator Shaw of Guilford:

"Mr. President, members of the Body, I remember the first time saw Brad Ligon. We were at a candidate seminar that the State Republican Party put on one time. And we chatted for a little while 'cause we were both panelist. I didn't know much about Brad and so some of the candidates started asking us who were running for local government, county commission, chair and so forth, what kind of issues they should use. So I suggested that they might take local issues like seats on school buses for children, a decent ambulance service, and introduce things that effected everybody in the community like CPR, and Brad pulled on my coattail and said, 'Wait a minute, I don't know what I think of that mess CPR or not.' And I thought, well I've never heard anybody object to CPR. And after the meeting I said, 'Brad, what's the problem with CPR?' He said, 'Well Bob, it sounds good and it's one of those things everybody is in favor of but when you get

down to the nitty gritty, you're going to have lawsuits, you are going to have people catching diseases and several other things.' Years later when I introduced that bill in here, I remembered that and I was very careful to put things in that bill that Brad had recommended. This man had more common sense than the average bear, I'm going to tell you. He was sharp. He was also witty and fun. He got upset with a fellow in the House one time with the opposite party and got up and said some nice things about him, but said 'I'll tell you one thing about him, he's even-tempered, he's always bad.' So, I've always liked that man and I've always respected him, and Jemelle, we sure miss him. Thank you."

Senator Albertson:

"Thank you Mr. President. I had the pleasure and honor to serve over in the House back in '89 and '90 and Brad was really an unusual fellow in a lot of ways. The way I got to know Brad I guess the best, was Billy Mills and myself were from Onslow County. Of course he served in this Body and served in the House as well. He had known Brad for some time and Billy and I, we sort of ran around together, we shared an apartment with our wives that year. He was always kidding Brad. All the time. They were just laughing when the Session was over. That's the way I really got to know Brad. But I can tell you one thing, he would vote against a bill in a heartbeat. He looked forward to voting against that legislation. But when you got him off to the side to talk with him, he really was a wonderful fellow, just as warm and caring a person that you could ever expect to meet. I'm really glad I got the chance to know Brad and learn to appreciate him like I did."

Senator Phillips:

"Thank you Mr. President. I'd like to speak if I may about a person I do not know. I've never known Representative Ligon. I only know of him. Of course all of you know this is my first term. And in my first year, I could identify with Senator Cochrane when she said it takes a lot of nerve to run. The time I came along it did take a lot of nerve as a Democrat. I would like for Brad's family to know that in my twelve months of campaigning in my district, and especially in Rowan County, of the kind remarks that I heard about their husband and father. Everywhere I'd go people would say to me, 'Are you of that cut, are you of that nature, do you care about honest, decent government for people in our community?' They'd always bring up to me two people, and I want to mention his name if I may, Senator Paul Smith and Brad. I'm grateful for their comments to me because it set the tone of the district that I would represent and the people that lived in that district. And I want the family to know that the memories of their husband and their father were very kind. That was expressed to me by both Democrats and Republicans. I support the Resolution."

The joint resolution passes its second reading (48-0) and third reading, unanimously with Members standing, and is ordered enrolled.

Upon motion of Senator Cochrane and Senator Phillips, the President extends courtesies of the Gallery to the family of Bradford Verdize Ligon, including his wife, Jemelle Ligon; son, Gene Ligon; and sister-in-law, Virginia Patterson. "I would say to the family that I served with Brad Ligon, the same number of years that I served in the North Carolina House. And I would say to the family that despite our political differences and philosophy, Brad Ligon was a very good man. He was a special man. And I know on behalf of all the Senate we want to thank you for sharing his life with this General Assembly and for the people of North Carolina."

H.B. 1304 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REFORM THE BOARD OF TRANSPORTATION BY ALTERING ITS GOVERNANCE STRUCTURE, AUTHORIZING A NEW ETHICS POLICY, REQUIRING DISCLOSURE OF POLITICAL CONTRIBUTIONS BY BOARD MEMBERS, INCREASING PUBLIC PARTICIPATION IN ITS DECISIONS, AND CHANGING THE PENALTIES FOR MISUSE OF A DOT BOARD POSITION, upon third reading, with Amendment No. 7 pending.

Senator Hoyle withdraws Amendment No. 7.

Senator Hoyle offers Amendment No. 8 which is adopted (49-0).

Senator McDaniel offers Amendment No. 9.

Senator McDaniel offers Amendment No. 10, a perfecting amendment to Amendment No. 9.

Senator Rand calls the previous question, seconded by Senator Cooper, on Amendment No. 10.

The call is sustained. Amendment No. 10 is adopted (49-0).

Senator Cooper offers Amendment No. 11, a perfecting amendment to Amendment No. 9.

Senator Rand calls the previous question, seconded by Senator Cooper, on perfecting Amendment No. 11.

A division is called and the call is sustained (32-17). Amendment No. 11 is adopted (49-0).

Senator Rand calls the previous question on pending Amendment No. 9 as perfected, and the third reading of the bill, seconded by Senator Cooper.

A division is called and the call is sustained (30-19). Amendment No. 9, as perfected by Amendment No. 10 and Amendment No. 11 is adopted (48-0).

The Senate Committee Substitute bill, as amended, passes its third reading (48-0) and is ordered engrossed and sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

The President relinquishes the gavel to Senator Basnight, President Pro Tempore, who presides in the absence of the Lieutenant Governor.

S.B. 1226 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE REVENUE LAWS AND RELATED STATUTES, for concurrence in House Committee Substitute bill, upon second reading.

The Senate concurs in the House Committee Substitute bill on its second reading by roll-call vote, ayes 46, noes 0, as follows:

Voting in the affirmative: Senators Allran, Ballance, Ballantine, Basnight, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—46.

Voting in the negative: None.

The House Committee Substitute bill remains on the Calendar for tomorrow, Wednesday, August 5, for concurrence, upon third reading.

S.B. 1001 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE AN AMUSEMENTS TAX EXEMPTION FOR CERTAIN NONPROFIT

ARTS ORGANIZATIONS AND COMMUNITY FESTIVALS, for concurrence in the House Committee Substitute bill.

The Senate concurs in the House Committee Substitute bill (48-0) and the measure is ordered enrolled and sent to the Governor.

REPORTS OF COMMITTEES *(Continued)*

Standing committee reports are submitted out of the regular order of business, bills are read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Kerr for the **Finance Committee**:

H.B. 1309 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ALLOW BANNER ELK TO VOLUNTARILY ANNEX CERTAIN PROPERTY LOCATED WITHIN ITS EXTRATERRITORIAL PLANNING JURISDICTION EVEN THOUGH IT IS CLOSER TO THE VILLAGE OF SUGAR MOUNTAIN, with a favorable report.

H.B. 1422, A BILL TO BE ENTITLED AN ACT TO REMOVE UNCONSTITUTIONAL RESTRICTIONS ON INDIVIDUAL INCOME TAX CREDITS FOR CHILD CARE AND FOR CONSTRUCTING DWELLINGS FOR THE HANDICAPPED, with a favorable report.

H.B. 1367, A BILL TO BE ENTITLED AN ACT TO RAISE THE SALES TAX QUARTERLY THRESHOLD AND TO REPEAL THE ANNUAL WHOLESALE SALES TAX LICENSE, with an unfavorable report as to bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 3167 is adopted and engrossed.

H.B. 1568 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF ST. PAULS TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX, with an unfavorable report as to Committee Substitute bill No. 2, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill XI603, which changes the title, upon concurrence, to read **H.B. 1568** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF ST. PAULS TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX AND TO AUTHORIZE THE CITY OF STATESVILLE TO LEVY AN ADDITIONAL ROOM OCCUPANCY TAX TO FUND TOURISM PROMOTION AND OPERATING EXPENSES OF A CIVIC CENTER, is adopted and engrossed.

WITHDRAWAL FROM CALENDAR

H.J.R. 1762, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF ERNEST BRYAN MESSER, FORMER MEMBER OF THE GENERAL ASSEMBLY, placed earlier on today's Calendar.

The Chair orders the joint resolution withdrawn from today's Calendar and places it

on the Calendar for tomorrow, Wednesday, August 5.

COMMITTEE REFERRAL RECALL

S.B. 1512, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE AUTHORITY OF THE COUNTY OF DURHAM TO FUND THE ESTABLISHMENT OF BIKEWAYS AND TRAILS THROUGHOUT THE COUNTY, referred to the **Appropriations Committee** on May 28.

Pursuant to Rule 47(a), Senator Perdue offers a motion that the bill be withdrawn from the **Appropriations Committee** and re-referred to the **State Government, Local Government, and Personnel Committee,** which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Appropriations Committee** and refers the measure to the **State Government, Local Government, and Personnel Committee.**

REPORTS OF COMMITTEES *(Continued)*

Standing committee reports are submitted out of the regular order of business, bills are read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Miller for the **State Government, Local Government, and Personnel Committee:**

H.B. 1256, A BILL TO BE ENTITLED AN ACT ABOLISHING THE OFFICE OF CORONER IN GASTON COUNTY, with an unfavorable report as to bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 8365, which changes the title, upon concurrence, to read **H.B. 1256** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT ABOLISHING THE OFFICE OF CORONER IN GASTON AND ROCKINGHAM COUNTIES, is adopted and engrossed.

APPOINTMENT OF CONFERENCE COMMITTEE

H.B. 72 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF OAK RIDGE, SUBJECT TO A REFERENDUM.

Pursuant to the message received from the House of Representatives on June 4 that the House fails to concur in the Senate Committee Substitute for H.B. 72 and requests conferees, Senator Rand offers a motion that the Senate appoint conferees, which motion prevails.

The President *Pro Tempore* appoints Senator Rand, Chairman, and Senator Martin of Guilford and Senator Shaw of Guilford as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

APPOINTMENT OF ADDITIONAL CONFEREES

S.B. 1366 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS

APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.

The President *Pro Tempore* announces the appointment of Senator Dannelly and Senator Purcell as additional conferees on House Committee Substitute for S.B. 1366.

A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

WITHDRAWAL FROM CALENDAR

H.B. 1405 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND SMALL CLAIMS PROCEDURE TO CLARIFY THAT THE DISTRICT COURT HAS AUTHORITY TO HEAR CERTAIN MOTIONS FOR RELIEF FROM MAGISTRATES' JUDGMENTS, placed on the Calendar for tomorrow, Wednesday, August 5.

Senator Cooper offers a motion that the bill be withdrawn from the Calendar for August 5 and re-referred to the **Judiciary Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the Calendar for tomorrow, Wednesday, August 5, and re-refers the measure to the **Judiciary Committee**.

CALENDAR *(Continued)*

S.B. 1241 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, TO EXTEND THE SUNSET ON THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT, AND TO AMEND THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT TO PROVIDE AN INCENTIVE FOR INVESTMENT IN SMALL FILM PRODUCTION BUSINESSES, upon second reading.

Senator Hoyle offers Amendment No. 1 which is adopted (47-0), and changes the title to read **S.B. 1241** (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, TO EXTEND THE SUNSET ON THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT, TO AMEND THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT TO PROVIDE AN INCENTIVE FOR INVESTMENT IN SMALL FILM PRODUCTION BUSINESSES, AND TO DIRECT THE REVENUE LAWS STUDY COMMITTEE TO STUDY WHETHER A TAXPAYER WHO PREVAILS IN AN ADMINISTRATIVE APPEAL OR A LAWSUIT SHOULD RECEIVE REIMBURSEMENT OF EXPENSES IN CERTAIN CIRCUMSTANCES.

Senator Horton offers Amendment No. 2.

Senator Hoyle offers Amendment No. 3, a substitute amendment for Amendment No. 2.

Senator Hoyle calls the previous question on Amendment No. 3, seconded by Senator Rand.

The call is sustained (30-18). Amendment No. 3 is adopted (34-13), and changes the title to read **S.B. 1241** (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, TO GIVE NONPROFIT ENTITIES

THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, TO PROVIDE THAT RULE 11 OF THE RULES OF CIVIL PROCEDURE APPLIES TO TAX APPEALS BEFORE THE TAX REVIEW BOARD, TO EXTEND THE SUNSET ON THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT, TO AMEND THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT TO PROVIDE AN INCENTIVE FOR INVESTMENT IN SMALL FILM PRODUCTION BUSINESSES, AND TO DIRECT THE REVENUE LAWS STUDY COMMITTEE TO STUDY WHETHER A TAXPAYER WHO PREVAILS IN AN ADMINISTRATIVE APPEAL OR A LAWSUIT SHOULD RECEIVE REIMBURSEMENT OF EXPENSES IN CERTAIN CIRCUMSTANCES.

Senator Hoyle calls the previous question on the second and third readings of the bill, seconded by Senator Rand. The call is sustained (28-20).

The Committee Substitute bill No. 2, as amended, passes its second reading by roll-call vote, ayes 44, noes 3, as follows:

Voting in the affirmative: Senators Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Gulley, Hartsell, Horton, Hoyle, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, Wellons, and Winner—44.

Voting in the negative: Senators East, Garwood, and Webster—3.

The Committee Substitute bill No. 2, as amended, is ordered placed on the Calendar for tomorrow, Wednesday, August 5, upon third reading.

On motion of Senator Ballance, seconded by Senator Odom, the Senate adjourns at 4:37 P.M. to meet tomorrow, Wednesday, August 5, at 2:00 P.M.

ONE HUNDRED SEVENTY-FOURTH DAY

Senate Chamber
Wednesday, August 5, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"God of Wisdom, it seems that we live in a world where people think they have all the right answers, but don't really know what the right questions are.

"It is the task of the men and women of the Senate not only to deal with people who have these right answers, but also to ascertain, expose, and ask the difficult questions from which the answers are proposed and the truth obtained. Holy Scripture is full of stories about people who know the law but not the truth.

"Be with the Senators in this continuing and sometimes difficult dialogue between perspective and inquiry. Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Jordan.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Tuesday, August 4, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Desmond K. Runyan from Chapel Hill, North Carolina, who is serving the Senate as Doctor of the Day, and to Sharon Williams from Washington, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 1001, AN ACT TO PROVIDE AN AMUSEMENTS TAX EXEMPTION FOR CERTAIN NONPROFIT ARTS ORGANIZATIONS AND COMMUNITY FESTIVALS.

S.B. 1252, AN ACT TO SIMPLIFY AND MODIFY PRIVILEGE LICENSE AND EXCISE TAXES AND RELATED PERMIT FEES.

The Enrolling Clerk reports the following bill and resolution duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.J.R. 1234, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF BRADFORD VERDIZE LIGON, FORMER MEMBER OF THE GENERAL ASSEMBLY. (Res. 39)

H.B. 860, AN ACT TO INCORPORATE THE TOWN OF CAROLINA SHORES FROM AN AREA PREVIOUSLY ANNEXED INTO THE TOWN OF CALABASH.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1307, AN ACT TO REQUIRE PAYMENT OF DELINQUENT TAXES FOR THE TOWN OF BANNER ELK BEFORE RECORDING DEEDS CONVEYING PROPERTY SUBJECT TO THE DELINQUENT TAXES. (Became law upon ratification, August 4, 1998 - S.L. 1998-73.)

H.B. 1336, AN ACT TO PROVIDE FOR ANNUAL AUDITS OF THE LAKE WACCAMAW LOCAL ABC SYSTEM. (Became law upon ratification, August 4, 1998 - S.L. 1998-74.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Soles for the **Commerce Committee:**

S.B. 1140, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO ALLOW LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE SINGLE-PRIME BIDDING, MULTI-PRIME BIDDING, OR BOTH, FOR CONSTRUCTION PROJECTS OVER FIVE HUNDRED THOUSAND DOLLARS, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 9605 is adopted and engrossed.

With unanimous consent, on motion of Senator Soles, the bill is placed on today's Calendar.

H.B. 1075 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PERMIT LENDERS TO CONTRACT FOR AND RECEIVE SHARED APPRECIATION OR SHARED VALUE IN CERTAIN CIRCUMSTANCES, with an unfavorable report as to Senate Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill No. 2, 2408 is adopted and engrossed.

By Senator Shaw of Cumberland for the **Transportation Committee**:

H.B. 1518 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE EAGLE SCOUT SPECIAL REGISTRATION PLATES TO EAGLE SCOUTS OR THEIR PARENTS OR GUARDIANS AND TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE SMALLER REGISTRATION PLATES FOR MOTORCYCLES AND MOTORCYCLE TRAILERS, with a favorable report.

On motion of Senator Shaw of Cumberland, the bill is re-referred to the **Finance Committee**.

By Senator Miller for the **State Government, Local Government, and Personnel Committee:**

H.B. 1275, A BILL TO BE ENTITLED AN ACT TO EXTEND THE PERMISSIBLE LENGTH OF LEASES ENTERED INTO BY THE STATESVILLE MUNICIPAL AIRPORT FROM TWENTY TO TWENTY-FIVE YEARS, with a favorable report.

Pursuant to Rule 43, the bill is re-referred to the **Finance Committee**.

H.B. 1401, A BILL TO BE ENTITLED AN ACT TO ADJUST THE BOUNDARIES OF THE TOWN OF PLEASANT GARDEN TO INCLUDE THE ENTIRE RIGHT-OF-WAY OF CERTAIN ROADS, with a favorable report.

Pursuant to Rule 43, the bill is re-referred to the **Finance Committee**.

H.B. 1453 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ASSIST THE ROWAN-SALISBURY SCHOOLS WITH THE EXPEDITING OF PUBLIC SCHOOL FACILITIES, with a favorable report.

H.B. 1494, A BILL TO BE ENTITLED AN ACT TO REPEAL THE SECTION OF

THE CITY OF STATESVILLE'S CHARTER THAT PROHIBITS POLITICAL ACTIVITY BY CERTAIN CITY EMPLOYEES, with a favorable report.

H.B. 1508, A BILL TO BE ENTITLED AN ACT TO PERMIT THE CITY OF GREENVILLE TO HOLD POST-TOWING HEARINGS FOR ABANDONED OR JUNKED VEHICLES REMOVED FROM PRIVATE PROPERTY WITHOUT THE OWNER'S REQUEST, with a favorable report.

H.B. 1524 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE A FOUR-YEAR TERM FOR THE MAYOR OF MORGANTON AND TO MAKE TECHNICAL CORRECTIONS CONCERNING THAT OFFICE, with a favorable report.

H.B. 1554, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF MOUNT AIRY TO CONVEY CERTAIN DESCRIBED PROPERTY BY PRIVATE SALE, with a favorable report.

H.B. 1570, A BILL TO BE ENTITLED AN ACT TO PERMIT THE TOWN OF LONG BEACH TO PASS ORDINANCES FOR DEVELOPING AND OPERATING PARKS ON DEAD-END STREETS, with a favorable report.

H.B. 1595, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF WRIGHTSVILLE BEACH TO ADOPT ORDINANCES REQUIRING SPRINKLER SYSTEMS IN CERTAIN BUILDINGS, with a favorable report.

H.B. 1596, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF WRIGHTSVILLE BEACH TO USE PROCEEDS FROM ON-STREET PARKING METERS IN THE SAME MANNER IN WHICH PROCEEDS FROM OFF-STREET PARKING FACILITIES ARE USED, with a favorable report.

H.B. 1618 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO GRANT AUTHORITY TO THE CITY OF EDEN TO ADDRESS ABANDONED STRUCTURES IN THE SAME MANNER AS MUNICIPALITIES IN COUNTIES WITH A POPULATION OF OVER ONE HUNDRED SIXTY-THREE THOUSAND, with a favorable report.

H.B. 1624, A BILL TO BE ENTITLED AN ACT TO REPEAL THE LAW PERMITTING THE TAKING OF CATFISH AND EELS IN TRAPS FROM THE HIGHWAY 258 BRIDGE TO THE OCCONEECHEE GUT IN NORTHAMPTON COUNTY, with a favorable report.

H.B. 1629 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO REMOVE AN AREA FROM THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, TO ANNEX AN AREA AS DESCRIBED INTO THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, AND GIVE ADDITIONAL AUTHORITY TO THAT CITY TO MAKE VOLUNTARY SATELLITE ANNEXATIONS, with a favorable report.

Pursuant to Rule 43, the Committee Substitute bill No. 2 is re-referred to the **Finance Committee**.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1124 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO EMPLOY TEACHERS WHO ARE LEGALLY CERTIFICATED IN ANOTHER STATE EVEN THOUGH THEY MAY NOT BE CERTIFICATED IN NORTH CAROLINA, AND TO PROVIDE AN ALTERNATIVE METHOD FOR LOCAL BOARDS TO HIRE LATERAL ENTRY TEACHERS, for concurrence in the House Committee Substitute bill, which is placed on the Calendar for tomorrow, Thursday, August 6.

CALENDAR

Bills and a resolution on today's Calendar are taken up and disposed of, as follows:

H.B. 1568 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF ST. PAULS TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX AND TO AUTHORIZE THE CITY OF STATESVILLE TO LEVY AN ADDITIONAL ROOM OCCUPANCY TAX TO FUND TOURISM PROMOTION AND OPERATING EXPENSES OF A CIVIC CENTER, upon second reading.

With unanimous consent, on motion of Senator Phillips, the Senate Committee Substitute bill is withdrawn from today's Calendar and placed on the Calendar for Thursday, August 6, upon second reading.

H.B. 1309 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ALLOW BANNER ELK TO VOLUNTARILY ANNEX CERTAIN PROPERTY LOCATED WITHIN ITS EXTRATERRITORIAL PLANNING JURISDICTION EVEN THOUGH IT IS CLOSER TO THE VILLAGE OF SUGAR MOUNTAIN, upon second reading.

The Committee Substitute bill No. 2 passes its second reading by roll-call vote, ayes 48, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—48.

Voting in the negative: None.

The Committee Substitute bill No. 2 is ordered placed on the Calendar for tomorrow, Thursday, August 6, upon third reading.

H.B. 1256 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT ABOLISHING THE OFFICE OF CORONER IN GASTON AND ROCKINGHAM COUNTIES, upon second reading.

Senator Foxx offers Amendment No. 1 which is adopted (46-0), changing the title, upon concurrence, to read **H.B. 1256** (Senate Committee Substitute), A BILL TO BE

ENTITLED AN ACT ABOLISHING THE OFFICE OF CORONER IN ASHE, GASTON AND ROCKINGHAM COUNTIES.

The Senate Committee Substitute bill, as amended, passes its second and third readings and is ordered engrossed and sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

S.B. 1241 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, TO EXTEND THE SUNSET ON THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT, AND TO AMEND THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT TO PROVIDE AN INCENTIVE FOR INVESTMENT IN SMALL FILM PRODUCTION BUSINESSES, as amended upon second reading, which amendments change the title to read **S.B. 1241** (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, TO PROVIDE THAT RULE 11 OF THE RULES OF CIVIL PROCEDURE APPLIES TO TAX APPEALS BEFORE THE TAX REVIEW BOARD, TO EXTEND THE SUNSET ON THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT, TO AMEND THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT TO PROVIDE AN INCENTIVE FOR INVESTMENT IN SMALL FILM PRODUCTION BUSINESSES, AND TO DIRECT THE REVENUE LAWS STUDY COMMITTEE TO STUDY WHETHER A TAXPAYER WHO PREVAILS IN AN ADMINISTRATIVE APPEAL OR A LAWSUIT SHOULD RECEIVE REIMBURSEMENT OF EXPENSES IN CERTAIN CIRCUMSTANCES, upon third reading.

Having voted in the majority, Senator Hoyle offers a motion that the vote by which the call of the previous question on third reading was sustained on August 4 be reconsidered. The motion prevails and the question becomes the passage of Committee Substitute No. 2 upon third reading.

Senator Webster offers Amendment No. 4 which is adopted (49-0).

The Committee Substitute bill No. 2, as amended, passes its third reading by roll-call vote, ayes 49, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—49.

Voting in the negative: None.

The Committee Substitute bill No. 2, as amended, is ordered engrossed and sent to the House of Representatives.

H.B. 1367 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO RAISE THE SALES TAX QUARTERLY THRESHOLD AND TO REPEAL THE ANNUAL WHOLESALE SALES TAX LICENSE, upon second reading.

The Senate Committee Substitute bill passes its second reading by roll-call vote, ayes 49, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—49.

Voting in the negative: None.

The Senate Committee Substitute bill is ordered placed on the Calendar for tomorrow, Thursday, August 6, upon third reading.

S.B. 1140 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO ALLOW LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE SINGLE-PRIME BIDDING, MULTI-PRIME BIDDING, OR BOTH, FOR CONSTRUCTION PROJECTS OVER FIVE HUNDRED THOUSAND DOLLARS, placed earlier on today's Calendar.

With unanimous consent, on motion of Senator Lee, the bill is withdrawn from today's Calendar and placed on the Calendar for Thursday, August 6, upon second reading.

H.B. 1415, A BILL TO BE ENTITLED AN ACT TO STRENGTHEN THE SEDIMENTATION POLLUTION CONTROL ACT OF 1973, AS RECOMMENDED BY THE SEDIMENTATION CONTROL COMMISSION AND THE ENVIRONMENTAL REVIEW COMMISSION, upon second reading.

The bill passes its second (47-2) and third readings and is ordered enrolled and sent to the Governor.

H.B. 1422, A BILL TO BE ENTITLED AN ACT TO REMOVE UNCONSTITUTIONAL RESTRICTIONS ON INDIVIDUAL INCOME TAX CREDITS FOR CHILD CARE AND FOR CONSTRUCTING DWELLINGS FOR THE HANDICAPPED, upon second reading.

The bill passes its second (49-0) and third readings and is ordered enrolled and sent to the Governor.

H.J.R. 1762, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF ERNEST BRYAN MESSER, FORMER MEMBER OF THE GENERAL ASSEMBLY, upon second reading.

With unanimous consent, on motion of Senator Plyler, the joint resolution is read in its entirety, and on his further motion, the remarks of the Senators memorializing the life and memory of Ernest Bryan Messer, former member of the General Assembly, are spread upon the Journal, as follows:

Senator Plyler:

"Thank you, Mr. President. Members of the Senate, many of you here knew Ernest Messer and you knew what an honest man Ernest Messer was. When I came here in 1974, I first met Ernest and he helped me a tremendous amount. He could advise you on most any subject concerning the General Assembly and legislation for one simple reason: Ernest read every bill that was introduced and he read it and studied it and knew it and was prepared when he was to speak on it or to vote on it. Ernest Messer was a very, very devoted family man. He and Jincy were together practically all the time that he wasn't on

the floor or in committees during the General Assembly. He was a gentleman that did many things for his district. He worked hard as I mentioned before. He was completely honest with what, with what he was doing and he also was a person that could make you laugh occasionally and then in just a few minutes I'll tell you three or four things that he would say or would do. But Ernest was appointed after many years here in the General Assembly to the Division of Aging and he did an outstanding job on the Division of Aging. He did a lot of various things to make that organization much better and I'll tell you what. All of those people that were senior citizens really did love Ernest Messer because he gave attention to them, attention that they needed and deserved. And Ernest will be remembered not only by those that were senior citizens then, but by their families because of the good deeds that he did toward making those senior citizens happy. Ernest was, as I mentioned before, he was real learned on most things. He read all of the bills. He studied them. He studied every issue that was good for North Carolina and a lot of times that he would be speaking to seniors over 65 years old, he would tell them that aging was a wonderful thing. But he says 'when you get 65 years old I think every one of you need to buy you an orange car or a pick up. So that was one of the things that he advised. He would also say 'if you don't use it, you lose it and get out of your rocking chairs.' He was passionate about seniors staying active. A great story with Ernest was when someone would come in his office to visit him, he would either motion for them to go to the left side or the right side of his desk. If he wanted to hear 'em he would say go to the left. If he didn't want to hear 'em, he'd say go to the right because he was hard of hearing in his right ear. But he was, as I mentioned, recognized by many citizens across the State in helping in their need. Ernest and Jincy and Dwight Quinn and Marian and Jay Huskins and Mildred and Roby and Ethel Nash and Dot and I would go out and eat practically every night when we were in Session. And it was a real treat for me to be in a group of people that had been here in the legislature and, of course, I was a little younger then that I am now. Actually, I was 47 when I came into the legislature and I listened very attentively to the advice that they would give me. But Ernest would always give you a good, good piece of advice when he was talking to you. Occasionally we would go over to someone else's house and Ernest and Jincy would bring down some food from the mountains. Now a lot of you have never heard the expression of leather britches. But leather britches, and I see Senator Jenkins laughing over there. He knows exactly what they are. Leather britches are beans that have matured. They hang 'em up. They dry 'em. They keep 'em to the dead of the winter when it's real cold. They soak them for 24 hours, hull and all and then put 'em in the pot and boil 'em for several hours and that's leather britches. And you would eat hulls and all along with cornbread and milk and whatever, potatoes that went with them. But that was one of their favorite things. At one time, there was a long debate in the House and Dwight Quinn and Betty Thomas sat right in front of me. And so we were near the front of the Chambers so during that debate, Mr. President, Dwight turned his chair around to look at the full, to hear the full debate. And it wasn't long until Betty turned her chair around to listen to the full debate. And then in a few minutes, Dwight Quinn just dropped over asleep. It wasn't but a little bit until Betty had dropped her head asleep. So Ernest was sitting right across the hall from me, or the aisle, about as far from here to Senator Ballance, so I walk over there and I said 'Ernest, let's start a rumor.' He said, 'All right Aaron, what you want to talk about.' I says 'Look up there, there's Dwight Quinn and Betty Thomas sleeping together. So that went around the House floor there for a good while. But really and truly, Ernest Messer was a great Carolinian, a great spokesman, a great fellow that would do anything in the world that he could to help his fellow man, and we will all miss him. I believe that Karen Gottovi might be here somewhere in the gallery that she succeeded him on the Division of Aging

Council. And his family is not here today because this resolution was presented in the House Monday night and we had already adjourned when it got here. But, Mr. President and members of the Senate, I highly recommend the adoption of this resolution for a great, great North Carolinian. Thank you very much."

Senator Soles:

"Thank you. Mr. President, ladies and gentlemen of the Senate I went over to the House of Representatives to serve when I was 34 and the first year I sat in Seat No. 84 which was near the back. The next session I moved up to Seat No. 17 and in Sessions of 1971, '73, and '75, I sat in Seat No. 17 and Ernest Messer sat in Seat No. 18. That was the seat that was one row back from the front and on the center aisle. So he was right where he could see what was going on. And of interest to you, sitting in the seat directly in front of him was Representative Jimmy Green who later became the Speaker of the House and then presided over the Senate over here and sitting directly in front of me was Craig Lawing from Charlotte who eventually came over here and was the President *Pro Tem* of the Senate. Ernest was an interesting person. He was a mountain man. And he was an executive with Champion Paper Company or Champion International I believe they call it. And from time to time, someone would say something about the paper companies polluting the water or something like that and he'd get up and he'd make a real speech about the environment because he was an environmentalist and he was interested in the water and the nature and the purity of the air in the mountains and he didn't like anybody indicating that he wasn't. And I have heard him make a speech about that many times. He was also interested in children's issues and, of course, the elderly issues as you have already heard. He went on to be Secretary or head of the Department of Aging here and carried that through his entire career. He reminded me to some extent about some other members and one that we have here in the Senate that is really brilliant and smart but continues to talk and argue about lots of bills. I won't call any names, but Ernest Messer was like that to a certain extent. He had a brilliant mind, but if he disagreed with a bill, he didn't mind standing up and talking about it, and picking it and talking about it. And he used to get on some of our nerves so bad until one day after he did that over and over, I went out and bought a little cactus and brought it back and put it on his desk and told him that it reminded me of him when I saw it. So that cactus sat on his desk for the entire session over there. Ernest was an outstanding man. Many things he did will live long beyond him and long beyond those of us in this Chamber as good things for the people of North Carolina and I commend this resolution to you."

Senator Jenkins:

"Thank you, Mr. Speaker, ladies and gentlemen of the Senate. Hearing Senator Plyler speak about Mr. Messer really brought along one tale I'd like to share with you that that great Representative Liston Ramsey shared with me. It seems that back when Liston was running for Speaker of the House, Ernest helped him be elected. Worked hard for him, and as soon as that election was over and Mr. Speaker was elected, he went to Ernest and offered him the position of Appropriations Chairman. And, of course, Ernest was really flattered. But he was so dedicated to furthering the cause of our elderly, he turned him down saying that he would rather work for the aged. And I believe that really says something for the man. Thank you."

The joint resolution passes its second reading (48-0) and third reading, unanimously with Members standing, and is ordered enrolled.

S.B. 1226 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE REVENUE LAWS AND RELATED STATUTES, for concurrence in the House Committee Substitute bill, upon third reading.

The Senate concurs in the House Committee Substitute bill on its third reading by roll-call vote, ayes 49, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—49.

Voting in the negative: None.

The House Committee Substitute bill is ordered enrolled and sent to the Governor.

COMMITTEE REFERRAL RECALL

H.B. 1497 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF CRANBERRY, referred to the **Rules and Operations of the Senate Committee** on July 8.

Pursuant to Rule 47(a), Senator Rand offers a motion that the bill be withdrawn from the **Rules and Operations of the Senate Committee** and re-referred to the **Finance Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Rules and Operations of the Senate Committee** and refers the measure to the **Finance Committee**.

REPORTS OF COMMITTEES *(Continued)*

Standing committee reports are submitted out of the regular order of business, bills are read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Cooper for the **Judiciary Committee**:

S.B. 1554, A BILL TO BE ENTITLED AN ACT TO AMEND THE EXCISE TAX ON CONTROLLED SUBSTANCES, with a favorable report.

H.B. 1405 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND SMALL CLAIMS PROCEDURE TO CLARIFY THAT THE DISTRICT COURT HAS AUTHORITY TO HEAR CERTAIN MOTIONS FOR RELIEF FROM MAGISTRATES' JUDGMENTS, with an unfavorable report as to Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill A496, which changes the title, upon concurrence to read **H.B. 1405** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND SMALL CLAIMS PROCEDURE TO CLARIFY THAT THE DISTRICT COURT HAS AUTHORITY TO HEAR CERTAIN MOTIONS FOR RELIEF FROM MAGISTRATES' JUDGMENTS, AND TO PROVIDE THAT A DISTRICT COURT JUDGE OF THE THIRTEENTH JUDICIAL DISTRICT MAY PERFORM THE MARRIAGE CEREMONY, is adopted and engrossed.

H.B. 344 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ENHANCE MOTOR VEHICLE OCCUPANT RESTRAINT SAFETY, with an unfavorable report as to Senate Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill No. 2, 2407 is adopted and engrossed.

On motion of Senator Cooper, the Senate Committee Substitute bill No. 2 is placed on the Calendar for Tuesday, August 11, upon second reading.

By Senator Hoyle for the **Finance Committee**:

H.B. 1369 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CLARIFY COMMUNITY COLLEGES' AUTHORITY TO ENTER INTO LEASE PURCHASE AND INSTALLMENT PURCHASE CONTRACTS FOR EQUIPMENT, with a favorable report.

S.B. 1571, A BILL TO BE ENTITLED AN ACT TO REQUIRE THE REGISTRATION AND BONDING OR THE ESTABLISHMENT OF A TRUST ACCOUNT BY TICKET BROKERS, TO REQUIRE SALES BY A TICKET BROKER TO TAKE PLACE OFF THE PROPERTY WHERE THE EVENT IS TO BE HELD AND TO LIMIT SALES BY A TICKET BROKER TO NO MORE THAN ONE PERCENT OF THE TOTAL TICKETS, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill A892, which changes the title to read **S.B. 1571** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE LEGISLATIVE RESEARCH COMMISSION SHALL STUDY ALLOWING REGULATED TICKET BROKERS TO RESELL TICKETS, is adopted and engrossed.

On motion of Senator Hoyle, the Committee Substitute bill is re-referred to the **Rules and Operations of the Senate Committee**.

CONFERENCE REPORT

H.B. 72

Senator Rand for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **H.B. 72**, A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF OAK RIDGE, SUBJECT TO A REFERENDUM, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on House Bill 72, AN ACT TO INCORPORATE THE TOWN OF OAK RIDGE, SUBJECT TO A REFERENDUM, Senate Rules and Operations of the Senate Committee Substitute Adopted 8/14/97, Third Edition Engrossed 8/28/97, submit the following report:

The House concurs in the Senate Rules and Operations of the Senate Committee Substitute Adopted 8/14/97, Third Edition Engrossed 8/28/97, with the following amendments:

(1) On page 1, line 14, delete "2017", and substitute "2018".

(2) On page 2, lines 1 through 11, by rewriting those lines to read: "From the southwestern boundary of the

Stokesdale City Limits, south on the east side of the Haw River Road to Pepper Road, south on the east side of Pepper Road to NC Hwy. 150, east on the north side of N.C. Highway 150 to Beeson Road, south on the east side of Beeson Road to the centerline of Reedy Fork Creek, thence in a generally northeasterly direction along the centerline of Reedy Fork Creek to the Eastern Right of Way line of North Carolina Highway 68, thence south along the eastern right-of-way line of North Carolina Highway 68 approximately 3,900 feet to the southern line of the subdivision containing Riding Trail Court, recorded in Plat Book 61, page 146, in the office of the Register of Deeds of Guilford County, thence east along the southern boundary of that subdivision and of Golden Acres subdivision, Phase 2, Section 2, recorded in Plat Book 99, page 98, Guilford County Register of Deeds approximately 2,400 feet to the proposed western right-of-way line of the US220-NC68 connector as shown on Map No. 4 of the Roadway Corridor Official Maps (State Project 6.499002T (R-2413) as recorded in the office of the Register of Deeds of Guilford County approximately 4,200 feet to the southern right-of-way line of Alcorn Road as proposed on Map No. 5 of said maps, thence west along the southern proposed right-of-way line and present southern right-of-way line of Alcorn Road approximately 4,000 feet to the centerline of Reedy Fork Creek, thence northern along Reedy Fork Creek to the Oak Ridge-Bruce Township Line (the Summerfield Corporate limit), thence north along the Oak Ridge-Bruce Township line to its intersection with the Stokesdale City Limits, thence west along the Stokesdale City limit, following the Stokesdale City Limit to the point and place of beginning."

(3) on page 3, line 16, delete "1997-98" and substitute "1998-99"

(4) on page 3, lines 12, 14, 21, and 23, delete "1997", and substitute "1998"

The Senate agrees to the same.

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: Aug. 5, 1998.

S/Anthony E. Rand	S/Michael Decker, Sr.
S/William Martin	S/Joanne W. Bowie
S/Bob Shaw	S/Theresa H. Esposito
	S/James W. Crawford, Jr.
Conferees for the Senate	*Conferees for the House of Representatives*

The Chair rules the Conference Report to be material and submission constitutes first reading. The Conference Report is placed on the Calendar for Thursday, August 6, for adoption, upon second reading.

On motion of Senator Basnight, seconded by Senator Plyler, the Senate adjourns at 3:05 P.M. to meet tomorrow, Thursday, August 6, at 12:00 Noon.

ONE HUNDRED SEVENTY-FIFTH DAY

Senate Chamber
Thursday, August 6, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear Lord and God of us all, Holy Scripture says that You know what we have need of even before we ask. As we stand before You this day, our needs are many. The Lieutenant Governor, Senators, and Staff live in two worlds - this one, which is public and so open to a large number of people, and the other so personal to which many will return today involving family, friends, and vocation.

"They must hold each place in delicate balance. Hear their most personal requests today regarding both worlds. Then give them what You want them to have, make them what You want them to be, help them to accomplish what You would have done.

"You know our needs before we ask and even when we don't ask. Thank you for responding, Oh God. Amen."

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Wednesday, August 5, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. William Leonard Overstreet III from Hendersonville, North Carolina, who is serving the Senate as Doctor of the Day, and to Phyllis Horns, Dean and Professor at the East Carolina University School of Nursing, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 1226, AN ACT TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE REVENUE LAWS AND RELATED STATUTES.

H.B. 1415, AN ACT TO STRENGTHEN THE SEDIMENTATION POLLUTION CONTROL ACT OF 1973, AS RECOMMENDED BY THE SEDIMENTATION CONTROL COMMISSION AND THE ENVIRONMENTAL REVIEW COMMISSION.

H.B. 1422, AN ACT TO REMOVE UNCONSTITUTIONAL RESTRICTIONS ON INDIVIDUAL INCOME TAX CREDITS FOR CHILD CARE AND FOR CONSTRUCTING DWELLINGS FOR THE HANDICAPPED.

The Enrolling Clerk reports the following resolution duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.J.R. 1762, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF

ERNEST BRYAN MESSER, FORMER MEMBER OF THE GENERAL ASSEMBLY. (Res. 40)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Miller for the **State Government, Local Government, and Personnel Committee:**

H.B. 894, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOUR-YEAR TERMS FOR THE MAYOR AND COUNCIL OF THE TOWN OF STONEVILLE, with an unfavorable report as to bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 3169 is adopted and engrossed.

H.B. 1540, A BILL TO BE ENTITLED AN ACT TO CONFORM THE CHARTER OF THE CITY OF HAVELOCK TO GENERAL LAW BY PROVIDING FOR AN ELECTION TO FILL THE REMAINDER OF THE UNEXPIRED TERM OF A COUNCIL MEMBER WHEN THE VACANCY OCCURS DURING THE FIRST TWO YEARS OF A FOUR-YEAR TERM, with a favorable report.

S.B. 1398, A BILL TO BE ENTITLED AN ACT TO AMEND CHAPTER 168 OF THE 1939 PUBLIC-LOCAL LAWS, AS PREVIOUSLY AMENDED, WHICH ENABLED THE ESTABLISHMENT OF THE RALEIGH-DURHAM AIRPORT AUTHORITY, TO ALLOW THE AUTHORITY TO CONTRACT WITH PRIVATE PARTIES FOR THE DEVELOPMENT, CONSTRUCTION, AND OCCUPANCY OF SPECIAL USER PROJECTS WITHOUT COMPLYING WITH ARTICLE 8 OF CHAPTER 143 OF THE GENERAL STATUTES, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 9516 is adopted and engrossed.

S.B. 1509, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF DURHAM TO DISCLOSE LIMITED PERSONNEL INFORMATION TO THE MEMBERS OF THE CITIZEN REVIEW BOARD TO FACILITATE ITS REVIEW OF POLICE DISCIPLINARY CASES, with a favorable report.

S.B. 1512, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE AUTHORITY OF THE COUNTY OF DURHAM TO FUND THE ESTABLISHMENT OF BIKEWAYS AND TRAILS THROUGHOUT THE COUNTY, with a favorable report.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1624, A BILL TO BE ENTITLED AN ACT TO REPEAL THE LAW PERMITTING THE TAKING OF CATFISH AND EELS IN TRAPS FROM THE

HIGHWAY 258 BRIDGE TO THE OCCONEECHEE GUT IN NORTHAMPTON COUNTY, upon second reading.

With unanimous consent, on motion of Senator Ballance, the bill is withdrawn from today's Calendar is placed on the Calendar for Wednesday, August 12, upon second reading.

REPORTS OF COMMITTEES *(Continued)*

By Senator Winner for the **Education/Higher Education Committee:**

H.B. 1371, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO INCREASE PURCHASING FLEXIBILITY FOR ALL PUBLIC SCHOOLS, with an unfavorable report as to bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 2409 is adopted and engrossed.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills and resolutions are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1502 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE CONSTRUCTION AND THE FINANCING OF CERTAIN CAPITAL IMPROVEMENTS PROJECTS OF THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA.

Referred to **Finance Committee**.

H.B. 1617 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO EXTEND THE INCOME TAX CREDIT FOR POULTRY COMPOSTING FACILITIES TO CORPORATE ENTITIES AND TO REMOVE THE SUNSET FOR THE INDIVIDUAL INCOME TAX CREDIT.

Referred to **Finance Committee**.

CALENDAR *(Continued)*

H.B. 1309 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ALLOW BANNER ELK TO VOLUNTARILY ANNEX CERTAIN PROPERTY LOCATED WITHIN ITS EXTRATERRITORIAL PLANNING JURISDICTION EVEN THOUGH IT IS CLOSER TO THE VILLAGE OF SUGAR MOUNTAIN, upon third reading.

The Committee Substitute bill No. 2 passes its third reading by roll-call vote, ayes 48, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue,

Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—48.

Voting in the negative: None.

The Committee Substitute bill No. 2 is ordered enrolled.

H.B. 1568 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF ST. PAULS TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX AND TO AUTHORIZE THE CITY OF STATESVILLE TO LEVY AN ADDITIONAL ROOM OCCUPANCY TAX TO FUND TOURISM PROMOTION AND OPERATING EXPENSES OF A CIVIC CENTER, upon second reading.

The Senate Committee Substitute bill passes its second reading by roll-call vote ayes 45, noes 3, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Garwood, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, Wellons, and Winner—45.

Voting in the negative: Senators Clark, East, and Page—3.

The Senate Committee Substitute bill is ordered placed on the Calendar for Monday, August 10, upon third reading.

H.B. 1453 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ASSIST THE ROWAN-SALISBURY SCHOOLS WITH THE EXPEDITING OF PUBLIC SCHOOL FACILITIES, upon second reading.

The Committee Substitute bill passes its second and third readings and is ordered enrolled.

H.B. 1494, A BILL TO BE ENTITLED AN ACT TO REPEAL THE SECTION OF THE CITY OF STATESVILLE'S CHARTER THAT PROHIBITS POLITICAL ACTIVITY BY CERTAIN CITY EMPLOYEES, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1508, A BILL TO BE ENTITLED AN ACT TO PERMIT THE CITY OF GREENVILLE TO HOLD POST-TOWING HEARINGS FOR ABANDONED OR JUNKED VEHICLES REMOVED FROM PRIVATE PROPERTY WITHOUT THE OWNERS REQUEST, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1524 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE A FOUR-YEAR TERM FOR THE MAYOR OF MORGANTON AND TO MAKE TECHNICAL CORRECTIONS CONCERNING THAT OFFICE, upon second reading.

The Committee Substitute bill passes its second and third readings and is ordered enrolled.

H.B. 1554, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF MOUNT AIRY TO CONVEY CERTAIN DESCRIBED PROPERTY BY PRIVATE SALE, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1570, A BILL TO BE ENTITLED AN ACT TO PERMIT THE TOWN OF LONG BEACH TO PASS ORDINANCES FOR DEVELOPING AND OPERATING PARKS ON DEAD-END STREETS, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1595, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF WRIGHTSVILLE BEACH TO ADOPT ORDINANCES REQUIRING SPRINKLER SYSTEMS IN CERTAIN BUILDINGS, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1596, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF WRIGHTSVILLE BEACH TO USE PROCEEDS FROM ON-STREET PARKING METERS IN THE SAME MANNER IN WHICH PROCEEDS FROM OFF-STREET PARKING FACILITIES ARE USED, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1618 (Committee Substitute), A BILL TO BE ENTITLED AN ACT RELATING TO GRANT AUTHORITY TO THE CITY OF EDEN TO ADDRESS ABANDONED STRUCTURES IN THE SAME MANNER AS MUNICIPALITIES IN COUNTIES WITH A POPULATION OF OVER ONE HUNDRED SIXTY-THREE THOUSAND, upon second reading.

The Committee Substitute bill passes its second and third readings and is ordered enrolled.

H.B. 72 (Conference Report), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF OAK RIDGE, SUBJECT TO A REFERENDUM, for adoption, upon second reading.

On motion of Senator Rand, the Senate adopts the Conference Report on its second reading by roll-call vote, ayes 50, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—50.

Voting in the negative: None.

The Conference Report remains on the Calendar for Monday, August 10, for adoption, upon third reading.

REPORTS OF COMMITTEES *(Continued)*

Standing committee reports are submitted out of the regular order of business, bills are read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Lucas for the **Children and Human Resources Committee:**

S.B. 1287, A BILL TO BE ENTITLED AN ACT TO MAKE NECESSARY TECHNICAL CORRECTIONS TO CHAPTER 442 OF THE 1997 SESSION LAWS, "AN ACT TO ESTABLISH ADVANCE INSTRUCTION FOR MENTAL HEALTH TREATMENT", AS RECOMMENDED BY THE JOINT LEGISLATIVE HEALTH OVERSIGHT COMMITTEE, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 4703, which changes the title to read **S.B. 1287** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CLARIFY THE LAW REGARDING HEALTH CARE POWERS OF ATTORNEY AND ADVANCE INSTRUCTION FOR MENTAL HEALTH TREATMENT BASED ON RECOMMENDATIONS OF THE JOINT LEGISLATIVE HEALTH CARE OVERSIGHT COMMITTEE, is adopted and engrossed.

WITHDRAWAL FROM CALENDAR

S.B. 1398 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND CHAPTER 168 OF THE 1939 PUBLIC-LOCAL LAWS, AS PREVIOUSLY AMENDED, WHICH ENABLED THE ESTABLISHMENT OF THE RALEIGH-DURHAM AIRPORT AUTHORITY, TO ALLOW THE AUTHORITY TO CONTRACT WITH PRIVATE PARTIES FOR THE DEVELOPMENT, CONSTRUCTION, AND OCCUPANCY OF SPECIAL USER PROJECTS WITHOUT COMPLYING WITH ARTICLE 8 OF CHAPTER 143 OF THE GENERAL STATUTES, placed on the Calendar for Monday, August 10.

Senator Gulley offers a motion that the Committee Substitute bill be withdrawn from the Calendar for Monday, August 10, and placed on today's Calendar, which motion prevails with unanimous consent.

The Chair orders the Committee Substitute bill withdrawn from the Calendar for Monday, August 10, and places it on today's Calendar.

CALENDAR *(Continued)*

H.B. 1367 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO RAISE THE SALES TAX QUARTERLY THRESHOLD AND TO REPEAL THE ANNUAL WHOLESALE SALES TAX LICENSE, upon third reading.

Senator Kerr offers Amendment No. 1 which is adopted (50-0).

The Senate Committee Substitute bill, as amended, passes its third reading by roll-call vote, ayes 50, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—50.

Voting in the negative: None.

The Senate Committee Substitute bill is ordered engrossed and sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

S.B. 1554, A BILL TO BE ENTITLED AN ACT TO AMEND THE EXCISE TAX ON CONTROLLED SUBSTANCES, upon second reading.

The bill passes its second reading by roll-call vote, ayes 47, noes 3, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Soles, Warren, Weinstein, Wellons, and Winner—47.

Voting in the negative: Senators Rucho, Shaw of Guilford, and Webster—3.

The bill is ordered placed on the Calendar for Monday, August 10, upon third reading.

S.B. 1140 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO ALLOW LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE SINGLE-PRIME BIDDING, MULTI-PRIME BIDDING, OR BOTH, FOR CONSTRUCTION PROJECTS OVER FIVE HUNDRED THOUSAND DOLLARS, upon second reading.

With unanimous consent, on motion of Senator Lee, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, August 12, upon second reading.

H.B. 1075 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PERMIT LENDERS TO CONTRACT FOR AND RECEIVE SHARED APPRECIATION OR SHARED VALUE IN CERTAIN CIRCUMSTANCES, upon second reading.

The President relinquishes the gavel to Senator Basnight, President Pro Tempore, who presides.

Senator Soles calls the previous question, seconded by Senator Rand. The call is sustained (39-10).

The Senate Committee Substitute bill No. 2 passes its second (33-16) and third readings and is ordered sent to the House of Representatives, for concurrence in Senate Committee Substitute bill No. 2.

H.B. 1369 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CLARIFY COMMUNITY COLLEGES' AUTHORITY TO ENTER INTO LEASE PURCHASE AND INSTALLMENT PURCHASE CONTRACTS FOR EQUIPMENT, upon second reading.

Senator Basnight, President Pro Tempore, relinquishes the gavel to the President of the Senate, Lieutenant Governor Wicker, who presides.

The Committee Substitute bill passes its second (47-0) and third readings and is ordered enrolled and sent to the Governor.

H.B. 1405 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND SMALL CLAIMS PROCEDURE TO CLARIFY THAT THE DISTRICT COURT HAS AUTHORITY TO HEAR CERTAIN MOTIONS FOR RELIEF FROM MAGISTRATES' JUDGMENTS, AND TO PROVIDE THAT A DISTRICT COURT JUDGE OF THE THIRTEENTH JUDICIAL DISTRICT MAY PERFORM THE MARRIAGE CEREMONY, upon second reading.

With unanimous consent, on motion of Senator Cooper, the Senate Committee

Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Monday, August 10, upon second reading.

S.B. 1124 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO EMPLOY TEACHERS WHO ARE LEGALLY CERTIFICATED IN ANOTHER STATE EVEN THOUGH THEY MAY NOT BE CERTIFICATED IN NORTH CAROLINA, AND TO PROVIDE AN ALTERNATIVE METHOD FOR LOCAL BOARDS TO HIRE LATERAL ENTRY TEACHERS, for concurrence in the House Committee Substitute bill.

With unanimous consent, on motion of Senator Hartsell, the House Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, August 12, for concurrence.

S.B. 1398 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND CHAPTER 168 OF THE 1939 PUBLIC-LOCAL LAWS, AS PREVIOUSLY AMENDED, WHICH ENABLED THE ESTABLISHMENT OF THE RALEIGH-DURHAM AIRPORT AUTHORITY, TO ALLOW THE AUTHORITY TO CONTRACT WITH PRIVATE PARTIES FOR THE DEVELOPMENT, CONSTRUCTION, AND OCCUPANCY OF SPECIAL USER PROJECTS WITHOUT COMPLYING WITH ARTICLE 8 OF CHAPTER 143 OF THE GENERAL STATUTES, placed earlier on today's Calendar.

The Committee Substitute bill passes its second (47-1) and third readings and is ordered sent to the House of Representatives.

REPORTS OF COMMITTEES *(Continued)*

Standing committee reports are submitted out of the regular order of business, bills are read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Albertson for the **Agriculture/Environment/Natural Resources Committee**:

H.B. 1462 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DIRECT THE COMMISSION FOR HEALTH SERVICES TO REQUIRE THAT CERTAIN NEW SEPTIC TANK SYSTEMS INCLUDE AN EFFLUENT FILTER AND AN ACCESS DEVICE, DEVELOP STANDARDS FOR THESE FILTERS AND DEVICES, AND ADOPT THESE STANDARDS AS TEMPORARY RULES, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, with an unfavorable report as to Senate Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill No. 2 .

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill No. 2, 3170 is adopted and engrossed.

By Senator Shaw of Cumberland for the **Transportation Committee**:

H.B. 349, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT NEW MOTOR VEHICLES NEED BE INSPECTED ONLY WHEN THEY ARE SOLD TO THE FIRST PURCHASER, with an unfavorable report as to bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 2411, which changes the title, upon concurrence, to read **H.B. 349** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXTEND THE TERRITORIAL JURISDICTION OF THE LEGISLATIVE SERVICES COMMISSION TO ALL OF SALISBURY STREET PROXIMATE TO THE STATE LEGISLATIVE BUILDING, is adopted and engrossed.

H.B. 1474 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE MOTOR VEHICLE LAWS TO CONFORM WITH FEDERAL LAW AND TO MAKE TECHNICAL AND OTHER CHANGES, with an unfavorable report as to Committee Substitute bill No. 2, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 1606 is adopted and engrossed.

By Senator Cooper for the **Judiciary Committee**:

H.B. 915, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT FIREFIGHTERS WHO ENGAGE IN SOME FIRE INSPECTION ACTIVITIES AS A SECONDARY RESPONSIBILITY ARE NOT COVERED BY THE LAW PROHIBITING CONFLICTS OF INTEREST BY INSPECTION DEPARTMENTS, with an unfavorable report as to bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 9019, which changes the title, upon concurrence to read **H.B. 915** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT FIREFIGHTERS WHO ENGAGE IN SOME FIRE INSPECTION ACTIVITIES AS A SECONDARY RESPONSIBILITY ARE NOT COVERED BY THE LAW PROHIBITING CONFLICTS OF INTEREST BY INSPECTION DEPARTMENTS UNDER SOME CIRCUMSTANCES, is adopted and engrossed.

By Senator Kerr for the **Finance Committee**:

H.B. 1497 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF CRANBERRY, with a favorable report.

H.B. 1529 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT, with an unfavorable report as to Senate Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill No. 2, 6462 is adopted and engrossed.

H.B. 1546 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE CERTAIN MUNICIPALITIES TO CHARGE A FEE NOT TO EXCEED TEN DOLLARS FOR UNCERTIFIED COPIES OF POLICE INCIDENT OR ACCIDENT REPORTS AND TO AUTHORIZE THE CITY TO GIVE ANNUAL NOTICE OF VIOLATION TO CHRONIC VIOLATORS OF THE CITY'S OVERGROWN VEGETATION ORDINANCE, with an unfavorable report as to Committee Substitute bill No. 2, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 9020, which changes the title, upon concurrence to read **H.B. 1546** (Senate Committee Substitute), A

BILL TO BE ENTITLED AN ACT TO AUTHORIZE CERTAIN MUNICIPALITIES TO CHARGE A FEE NOT TO EXCEED FIVE DOLLARS FOR UNCERTIFIED COPIES OF POLICE INCIDENT OR ACCIDENT REPORTS AND TO AUTHORIZE THE CITY TO GIVE ANNUAL NOTICE OF VIOLATION TO CHRONIC VIOLATORS OF THE CITY'S OVERGROWN VEGETATION ORDINANCE, is adopted and engrossed.

On motion of Senator Basnight, seconded by Senator Horton and Senator Webster, the Senate adjourns at 1:46 P.M. to meet Monday, August 10, at 7:00 P.M.

ONE HUNDRED SEVENTY-SIXTH DAY

Senate Chamber
Monday, August 10, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear Lord, we confess that we call You Lord, yet we do not always live as if it were so.

"Though not chronologically distant, we sometimes keep our worship on weekends separate from our work on Mondays. Church, Cathedral, Synagogue are for religious matters. The world and its matters like finance, possessions and acquisitions are a safe distance from the intrusions of faith.

"This week, rule in our lives. Let Your light shine upon all of our proceedings so that we may more clearly see and do Your will for us. Then give us the courage to follow You in all things. Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator Ballance, Senator East, Senator Gulley, Senator Hartsell, Senator Martin of Pitt, and Senator Odom.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, August 6, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Kathy Johnson from Raleigh, North Carolina, who is serving the Senate as Nurse of the Day.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 860, AN ACT TO INCORPORATE THE TOWN OF CAROLINA SHORES FROM AN AREA PREVIOUSLY ANNEXED INTO THE TOWN OF CALABASH. (Became law upon ratification, August 5, 1998 - S.L. 1998-75.)

H.B. 1433, AN ACT TO EXTEND THE STUDY OF THE ORGANIZATIONAL STRUCTURE AND ADMINISTRATIVE PLACEMENT OF THE PROGRAMS IN THE DIVISION OF ENVIRONMENTAL HEALTH OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND TO EXPAND THE SCOPE OF THE STUDY TO INCLUDE THE ORGANIZATION, FUNCTIONS, POWERS, AND DUTIES OF THE VARIOUS BOARDS, COMMISSIONS, AND COUNCILS HAVING JURISDICTION OVER ENVIRONMENTAL, PUBLIC HEALTH, AND NATURAL RESOURCES PROGRAMS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION. (Became law upon approval of the Governor, August 6, 1998 - S.L. 1998-76.)

REPORTS OF COMMITTEES

A bill is reported from a standing committee, read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Albertson for the **Agriculture/Environment/Natural Resources Committee**:

S.B. 1299, A BILL TO BE ENTITLED AN ACT TO AMEND THE LAWS REGARDING THE WITHDRAWAL AND TRANSFER OF SURFACE WATERS AND THE STATE WATER SUPPLY PLAN, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 3650 is adopted and engrossed.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1354 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS STATEWIDE RURAL INFRASTRUCTURE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, AND WATER CONSERVATION AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES, for concurrence in the House Committee Substitute bill, which is placed on the Calendar for tomorrow, Tuesday, August 11.

H.B. 1354 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPROVE AND MODERNIZE THE TORRENS LAND TITLE REGISTRATION PROCEDURES OF THE STATE.

Referred to **Judiciary Committee**.

H.B. 1615, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE AUTHORITY

OF THE COUNTY OF DURHAM TO FUND THE ESTABLISHMENT OF BIKEWAYS AND TRAILS THROUGHOUT THE COUNTY.

On motion of Senator Rand, the rules are suspended, without objection, and the bill is placed before the Senate for immediate consideration.

The bill passes its second and third readings and is ordered enrolled.

CALENDAR

Bills on tonight's Calendar are taken up and disposed of, as follows:

S.B. 1512, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE AUTHORITY OF THE COUNTY OF DURHAM TO FUND THE ESTABLISHMENT OF BIKEWAYS AND TRAILS THROUGHOUT THE COUNTY, upon second reading.

With unanimous consent, on motion of Senator Lucas, the bill is withdrawn from tonight's Calendar and is re-referred to the **Appropriations Committee.**

ENROLLED BILLS

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

H.B. 1369, AN ACT TO CLARIFY COMMUNITY COLLEGES' AUTHORITY TO ENTER INTO LEASE PURCHASE AND INSTALLMENT PURCHASE CONTRACTS FOR EQUIPMENT.

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.B. 1309, AN ACT TO ALLOW BANNER ELK TO VOLUNTARILY ANNEX CERTAIN PROPERTY LOCATED WITHIN ITS EXTRATERRITORIAL PLANNING JURISDICTION EVEN THOUGH IT IS CLOSER TO THE VILLAGE OF SUGAR MOUNTAIN.

H.B. 1453, AN ACT TO ASSIST THE ROWAN-SALISBURY SCHOOLS WITH THE EXPEDITING OF PUBLIC SCHOOL FACILITIES.

H.B. 1494, AN ACT TO REPEAL THE SECTION OF THE CITY OF STATESVILLE'S CHARTER THAT PROHIBITS POLITICAL ACTIVITY BY CERTAIN CITY EMPLOYEES.

H.B. 1508, AN ACT TO PERMIT THE CITY OF GREENVILLE TO HOLD POST-TOWING HEARINGS FOR ABANDONED OR JUNKED VEHICLES REMOVED FROM PRIVATE PROPERTY WITHOUT THE OWNER'S REQUEST.

H.B. 1524, AN ACT TO PROVIDE A FOUR-YEAR TERM FOR THE MAYOR OF MORGANTON AND TO MAKE TECHNICAL CORRECTIONS CONCERNING THAT OFFICE.

H.B. 1554, AN ACT TO ALLOW THE CITY OF MOUNT AIRY TO CONVEY CERTAIN DESCRIBED PROPERTY BY PRIVATE SALE.

H.B. 1570, AN ACT TO PERMIT THE TOWN OF LONG BEACH TO PASS ORDINANCES FOR DEVELOPING AND OPERATING PARKS ON DEAD-END STREETS.

H.B. 1587, AN ACT TO ALLOW THE TOWN OF STANFIELD AND THE CITY OF LOCUST TO COLLECT UTILITY BILLS AS IF THEY WERE TAXES DUE THE TOWN AND THE CITY.

H.B. 1595, AN ACT ALLOW THE TOWN OF WRIGHTSVILLE BEACH TO ADOPT ORDINANCES REQUIRING SPRINKLER SYSTEMS IN CERTAIN BUILDINGS.

H.B. 1596, AN ACT TO ALLOW THE TOWN OF WRIGHTSVILLE BEACH TO USE PROCEEDS FROM ON-STREET PARKING METERS IN THE SAME MANNER IN WHICH PROCEEDS FROM OFF-STREET PARKING FACILITIES ARE USED.

H.B. 1618, AN ACT TO GRANT AUTHORITY TO THE CITY OF EDEN TO ADDRESS ABANDONED STRUCTURES IN THE SAME MANNER AS MUNICIPALITIES IN COUNTIES WITH A POPULATION OF OVER ONE HUNDRED SIXTY-THREE THOUSAND.

CALENDAR *(Continued)*

H.B. 1568 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF ST. PAULS TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX AND TO AUTHORIZE THE CITY OF STATESVILLE TO LEVY AN ADDITIONAL ROOM OCCUPANCY TAX TO FUND TOURISM PROMOTION AND OPERATING EXPENSES OF A CIVIC CENTER, upon third reading.

The Senate Committee Substitute bill passes its third reading by roll-call vote, ayes 37, noes 3, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballantine, Basnight, Blust, Carpenter, Carrington, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Garwood, Horton, Hoyle, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, Miller, Moore, Perdue, Phillips, Plyler, Purcell, Rand, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, and Wellons—37.

Voting in the negative: Senators Clark, McDaniel, and Page—3.

The Senate Committee Substitute bill is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 1497 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF CRANBERRY, upon second reading.

The Committee Substitute bill passes its second reading by roll-call vote, ayes 42, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Garwood, Horton, Hoyle, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Moore, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—42.

Voting in the negative: None.

The Committee Substitute bill is ordered placed on the Calendar for tomorrow, Tuesday, August 11, upon third reading.

H.B. 1546 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE CERTAIN MUNICIPALITIES TO CHARGE A FEE NOT TO EXCEED FIVE DOLLARS FOR UNCERTIFIED COPIES OF POLICE INCIDENT OR ACCIDENT REPORTS AND TO AUTHORIZE THE CITY TO GIVE ANNUAL NOTICE OF VIOLATION TO CHRONIC VIOLATORS OF THE CITY'S OVERGROWN VEGETATION ORDINANCE, upon second reading.

The Senate Committee Substitute bill passes its second reading by roll-call vote, ayes 40, noes 3, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Garwood, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Moore, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Soles, Warren, Webster, Weinstein, and Wellons—40.

Voting in the negative: Senators Basnight, Page, and Shaw of Guilford—3.

The Senate Committee Substitute bill is ordered placed on the Calendar for tomorrow, Tuesday, August 11, upon third reading.

S.B. 1509, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF DURHAM TO DISCLOSE LIMITED PERSONNEL INFORMATION TO THE MEMBERS OF THE CITIZEN REVIEW BOARD TO FACILITATE ITS REVIEW OF POLICE DISCIPLINARY CASES, upon second reading.

The bill passes its second and third readings and is ordered sent to the House of Representatives.

H.B. 894 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOUR-YEAR TERMS FOR THE MAYOR AND COUNCIL OF THE TOWN OF STONEVILLE, upon second reading.

The Senate Committee Substitute bill passes its second and third readings and is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 1540 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CONFORM THE CHARTER OF THE CITY OF HAVELOCK TO GENERAL LAW BY PROVIDING FOR AN ELECTION TO FILL THE REMAINDER OF THE UNEXPIRED TERM OF A COUNCIL MEMBER WHEN THE VACANCY OCCURS DURING THE FIRST TWO YEARS OF A FOUR-YEAR TERM, upon second reading.

The Committee Substitute bill passes its second and third readings and is ordered enrolled.

H.B. 72 (Conference Report), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF OAK RIDGE, SUBJECT TO A REFERENDUM, for adoption, upon third reading.

Senator Rand, having voted in the majority on August 6, offers a motion that the vote by which the Conference Report was adopted on second reading be reconsidered, which motion prevails. The question becomes the adoption of the Conference Report on its second reading.

Without objection, on motion of Senator Rand, the Conference Report is withdrawn.

S.B. 1554, A BILL TO BE ENTITLED AN ACT TO AMEND THE EXCISE TAX ON CONTROLLED SUBSTANCES, upon third reading.

Senator Horton offers Amendment No. 1 which is adopted (43-0).

The bill, as amended, passes its third reading by roll-call vote, ayes 40, noes 3, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Garwood, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Moore, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Soles, Warren, Weinstein, and Wellons—40.

Voting in the negative: Senators Rucho, Shaw of Guilford, Webster—3.

The bill as amended, is ordered engrossed and sent to the House of Representatives.

H.B. 1529 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT, upon second reading.

The Senate Committee Substitute bill No. 2 passes its second reading by roll-call vote, ayes 36, noes 6, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Garwood, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Moore, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Soles, Weinstein, and Wellons—36.

Voting in the negative: Senators Forrester, Foxx, Page, Perdue, Shaw of Guilford, and Webster—6.

The Senate Committee Substitute bill No. 2 is ordered placed on the Calendar for tomorrow, Tuesday, August 11, upon third reading.

S.B. 1287 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CLARIFY THE LAW REGARDING HEALTH CARE POWERS OF ATTORNEY AND ADVANCE INSTRUCTION FOR MENTAL HEALTH TREATMENT BASED ON RECOMMENDATIONS OF THE JOINT LEGISLATIVE HEALTH CARE OVERSIGHT COMMITTEE, upon second reading.

The Committee Substitute bill passes its second (42-0) and third readings and is ordered sent to the House of Representatives.

H.B. 349 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXTEND THE TERRITORIAL JURISDICTION OF THE LEGISLATIVE SERVICES COMMISSION TO ALL OF SALISBURY STREET PROXIMATE TO THE STATE LEGISLATIVE BUILDING, upon second reading.

The Senate Committee Substitute bill passes its second (43-0) and third readings and is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 915 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT FIREFIGHTERS WHO ENGAGE IN SOME FIRE INSPECTION ACTIVITIES AS A SECONDARY RESPONSIBILITY ARE NOT COVERED BY THE LAW PROHIBITING CONFLICTS OF INTEREST BY INSPECTION

DEPARTMENTS UNDER SOME CIRCUMSTANCES, upon second reading.

The Senate Committee Substitute bill passes its second (43-0) and third readings and is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 1371 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO INCREASE PURCHASING FLEXIBILITY FOR ALL PUBLIC SCHOOLS, upon second reading.

With unanimous consent, on motion of Senator Dalton, the Senate Committee Substitute bill is withdrawn from tonight's Calendar and is placed on the Calendar for Wednesday, August 12, upon second reading.

H.B. 1405 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND SMALL CLAIMS PROCEDURE TO CLARIFY THAT THE DISTRICT COURT HAS AUTHORITY TO HEAR CERTAIN MOTIONS FOR RELIEF FROM MAGISTRATES' JUDGMENTS, AND TO PROVIDE THAT A DISTRICT COURT JUDGE WHO WAS FORMALLY AN ASSISTANT DISTRICT ATTORNEY OF THE THIRTEENTH JUDICIAL DISTRICT MAY PERFORM THE MARRIAGE CEREMONY, upon second reading.

Senator Cooper offers Amendment No. 1 which is adopted (41-0).

The Senate Committee Substitute bill, as amended, passes its second (43-0) and third readings and is ordered engrossed and sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 1462 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO DIRECT THE COMMISSION FOR HEALTH SERVICES TO REQUIRE THAT CERTAIN NEW SEPTIC TANK SYSTEMS INCLUDE AN EFFLUENT FILTER AND AN ACCESS DEVICE, DEVELOP STANDARDS FOR THESE FILTERS AND DEVICES, AND ADOPT THESE STANDARDS AS TEMPORARY RULES, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, upon second reading.

With unanimous consent, on motion of Senator Albertson, the Senate Committee Substitute bill No. 2 is withdrawn from tonight's Calendar and is placed on the Calendar for Tuesday, August 11, upon second reading.

H.B. 1474 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE MOTOR VEHICLE LAWS TO CONFORM WITH FEDERAL LAW AND TO MAKE TECHNICAL AND OTHER CHANGES, upon second reading.

With unanimous consent, on motion of Senator Shaw of Cumberland, the Senate Committee Substitute bill is withdrawn from tonight's Calendar and is re-referred to the **Judiciary Committee**.

The President recognizes the following pages serving in the Senate this week:

Melanie Rose Allen, Raleigh; Kathryn Elizabeth Bucklew, Laurinburg; Kimberly Sue Bucklew, Laurinburg; Ashley Chappell, Winston-Salem; Brigitte Marie Council, Greenville; Julia Christine DiPrete, Durham; Renee Michelle Duncan, Cary; Sarah Gajan, Youngsville; William Bradley George, Concord; Sarah Nelson McLamb, Raleigh; Tuwela Moore, Gastonia; Matthew Nanney, Bellbrook; Douglas Bradley Pack, Concord;

Roderick F'Taud Perry, Raleigh; Ashley Davis Prevo, Raleigh; Jeremy H. Robertson, Raleigh; Alison Leigh Stahl, Garner; Yolanda Elaine Street, Zebulon; Matt Tepper, Cary; Samuel Laut Wade, Raleigh; Patrick J. Waters, Manteo; and Dana LaRue Yarborough, Raleigh.

REPORTS OF COMMITTEES *(Continued)*

A standing committee report is submitted out of the regular order of business, bills are read by their titles, together with the report accompanying them, and take their place on the Calendar, as follows:

By Senator Cooper for the **Judiciary Committee**:

S.B. 1277, A BILL TO BE ENTITLED AN ACT TO AMEND THE RULES OF CIVIL PROCEDURE AND TO EXTEND THE CIVIL PROCEDURE STUDY COMMISSION, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 6868, which changes the title to read **S.B. 1277** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE RULES OF CIVIL PROCEDURE, AND TO CLARIFY THE PUBLIC DUTY DOCTRINE AND THE TORT CLAIMS ACT, is adopted and engrossed.

Pursuant to Rule 43, the Committee Substitute bill is re-referred to the **Appropriations Committee**.

S.B. 1279, A BILL TO BE ENTITLED AN ACT TO MAKE VARIOUS TECHNICAL AMENDMENTS TO THE GENERAL STATUTES AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 4704, which changes the title to read **S.B. 1279** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE VARIOUS TECHNICAL AMENDMENTS TO THE GENERAL STATUTES AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, AND TO MAKE OTHER TECHNICAL CORRECTIONS AND OTHER CHANGES TO THE GENERAL STATUTES AND SESSION LAWS, is adopted and engrossed.

H.B. 534 (Committee Substitute), A BILL TO BE ENTITLED AN ACT REGARDING THE CONTRACTUAL OBLIGATIONS OF SPOUSES, THE TRANSFER OF PROPERTY AND INCOME WITHHOLDING TO ENFORCE SUPPORT ORDERS, AND THE AWARDING OF ALIMONY, AS RECOMMENDED BY THE FAMILY LAW SECTION OF THE NORTH CAROLINA BAR ASSOCIATION, with an unfavorable report as to Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 1608, which changes the title, upon concurrence, to read **H.B. 534** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW INCOME WITHHOLDING TO ENFORCE SUPPORT ORDERS, AND THE AWARDING OF ALIMONY, AS RECOMMENDED BY THE FAMILY LAW SECTION OF THE NORTH CAROLINA BAR ASSOCIATION, is adopted and engrossed.

H.B. 1071 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REQUIRE TENANTS TO PAY TO THE CLERK OF COURT THE AMOUNT OF RENT IN ARREARS TO STAY THE EXECUTION OF JUDGMENT FOR SUMMARY EJECTMENT PENDING APPEAL TO DISTRICT COURT AND TO POST A BOND FOR ANY FURTHER APPEALS, with an unfavorable report as to bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 1607 is adopted and engrossed.

COMMITTEE REFERRAL RECALL

S.B. 1277 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE RULES OF CIVIL PROCEDURE, AND TO CLARIFY THE PUBLIC DUTY DOCTRINE AND THE TORT CLAIMS ACT, referred to the **Appropriations Committee** on August 10.

Pursuant to Rule 47(a), Senator Perdue offers a motion that the Committee Substitute bill be withdrawn from the **Appropriations Committee** and placed on the Calendar for Tuesday, August 11, which motion prevails with unanimous consent.

The Chair orders the Committee Substitute bill withdrawn from the **Appropriations Committee** and places it on the Calendar for Tuesday, August 11.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.B. 1304

House of Representatives
August 10, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House fails to concur in the Senate Committee Substitute for HB 1304, A BILL TO BE ENTITLED AN ACT TO REFORM THE BOARD OF TRANSPORTATION BY ALTERING ITS GOVERNANCE STRUCTURE, AUTHORIZING A NEW ETHICS POLICY, REQUIRING DISCLOSURE OF POLITICAL CONTRIBUTIONS BY BOARD MEMBERS, INCREASING PUBLIC PARTICIPATION IN ITS DECISIONS, AND CHANGING THE PENALTIES FOR MISUSE OF A DOT BOARD POSITION, and requests conferees. The speaker has appointed:

Representative Bowie, Chair
Representative Sexton,
Representative Sherrill,
Representative Gulley,
Representative Sutton, and
Representative Buchanan

on the part of the House to confer with a like committee appointed by the Senate to the

end that the differences arising may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

APPOINTMENT OF CONFERENCE COMMITTEE

H.B. 1304 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REFORM THE BOARD OF TRANSPORTATION BY ALTERING ITS GOVERNANCE STRUCTURE, AUTHORIZING A NEW ETHICS POLICY, REQUIRING DISCLOSURE OF POLITICAL CONTRIBUTIONS BY BOARD MEMBERS, INCREASING PUBLIC PARTICIPATION IN ITS DECISIONS, AND CHANGING THE PENALTIES FOR MISUSE OF A DOT BOARD POSITION.

Pursuant to the message received tonight, August 10, from the House of Representatives that the House fails to concur in the Senate Committee Substitute for H.B. 1304 and requests conferees, Senator Basnight offers a motion that the Senate appoint conferees, which motion prevails.

The President *Pro Tempore* appoints Senator Perdue, Chairman, and Senators Hoyle, Jordan, Kinnaird, Shaw of Cumberland, and Shaw of Guilford as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

On motion of Senator Basnight, seconded by Senator Forrester, the Senate adjourns at 8:19 P.M. to meet tomorrow, Tuesday, August 11, at 2:00 P.M.

ONE HUNDRED SEVENTY-SEVENTH DAY

Senate Chamber
Tuesday, August 11, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Almighty God, an old Roman maxim states, 'Without a name a person is nothing.' When people speak our name we want it to be with respect. When our name is attached to anything, a bill, a debt, a contract, a piece of Legislation, or a promise, we want it to be something of which we can be proud. Lord, help us to so live and work that our name be given only to those ideals and ideas that are worthy and just. It is in Your most Holy Name that we pray, Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Gulley and Senator Shaw of Cumberland.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday,

Monday, August 10, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Dana Edwin King from Greenville, North Carolina, who is serving the Senate as Doctor of the Day, and to Brenda Lange from Jacksonville, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

H.B. 1591, AN ACT REQUIRING THE CONSENT OF CARTERET, CHATHAM, JONES, AND ORANGE COUNTIES BEFORE LAND IN THOSE COUNTIES MAY BE CONDEMNED OR ACQUIRED BY A UNIT OF LOCAL GOVERNMENT OUTSIDE THOSE COUNTIES.

The Enrolling Clerk reports the following bills and resolution duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.J.R. 1603, A JOINT RESOLUTION HONORING LILLIAN E. CLEMENT, THE FIRST WOMAN TO SERVE IN THE NORTH CAROLINA GENERAL ASSEMBLY, ON THE SIXTIETH ANNIVERSARY OF THE NATIONAL ORDER OF WOMEN LEGISLATORS. (Res. 41)

H.B. 1540, AN ACT TO CONFORM THE CHARTER OF THE CITY OF HAVELOCK TO GENERAL LAW BY PROVIDING FOR AN ELECTION TO FILL THE REMAINDER OF THE UNEXPIRED TERM OF A COUNCIL MEMBER WHEN THE VACANCY OCCURS DURING THE FIRST TWO YEARS OF A FOUR-YEAR TERM.

H.B. 1615, AN ACT TO CLARIFY THE AUTHORITY OF THE COUNTY OF DURHAM TO FUND THE ESTABLISHMENT OF BIKEWAYS AND TRAILS THROUGHOUT THE COUNTY.

CHAPTERED BILLS

The Enrolling Clerk Reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1309, AN ACT TO ALLOW BANNER ELK TO VOLUNTARILY ANNEX CERTAIN PROPERTY LOCATED WITHIN ITS EXTRATERRITORIAL PLANNING JURISDICTION EVEN THOUGH IT IS CLOSER TO THE VILLAGE OF SUGAR MOUNTAIN. (Became law upon ratification, August 10, 1998 - S.L. 1998-77.)

H.B. 1453, AN ACT TO ASSIST THE ROWAN-SALISBURY SCHOOLS WITH THE EXPEDITING OF PUBLIC SCHOOL FACILITIES. (Became law upon ratification, August 10, 1998 - S.L. 1998-78.)

H.B. 1494, AN ACT TO REPEAL THE SECTION OF THE CITY OF STATESVILLE'S CHARTER THAT PROHIBITS POLITICAL ACTIVITY BY CERTAIN CITY EMPLOYEES. (Became law upon ratification, August 10, 1998 - S.L. 1998-79.)

H.B. 1508, AN ACT TO PERMIT THE CITY OF GREENVILLE TO HOLD POST-TOWING HEARINGS FOR ABANDONED OR JUNKED VEHICLES REMOVED FROM PRIVATE PROPERTY WITHOUT THE OWNERS REQUEST. (Became law upon ratification, August 10, 1998 - S.L. 1998-80.)

H.B. 1524, AN ACT TO PROVIDE A FOUR-YEAR TERM FOR THE MAYOR OF MORGANTON AND TO MAKE TECHNICAL CORRECTIONS CONCERNING THAT OFFICE. (Became law upon ratification, August 10, 1998 - S.L. 1998-81.)

H.B. 1554, AN ACT TO ALLOW THE CITY OF MOUNT AIRY TO CONVEY CERTAIN DESCRIBED PROPERTY BY PRIVATE SALE. (Became law upon ratification, August 10, 1998 - S.L. 1998-82.)

H.B. 1570, AN ACT TO PERMIT THE TOWN OF LONG BEACH TO PASS ORDINANCES FOR DEVELOPING AND OPERATING PARKS ON DEAD-END STREETS. (Became law upon ratification, August 10, 1998 - S.L. 1998-83.)

H.B. 1587, AN ACT TO ALLOW THE TOWN OF STANFIELD AND THE CITY OF LOCUST TO COLLECT UTILITY BILLS AS IF THEY WERE TAXES DUE THE TOWN AND THE CITY. (Became law upon ratification, August 10, 1998 - S.L. 1998-84.)

H.B. 1595, AN ACT TO ALLOW THE TOWN OF WRIGHTSVILLE BEACH TO ADOPT ORDINANCES REQUIRING SPRINKLER SYSTEMS IN CERTAIN BUILDINGS. (Became law upon ratification, August 10, 1998 - S.L. 1998-85.)

H.B. 1596, AN ACT TO ALLOW THE TOWN OF WRIGHTSVILLE BEACH TO USE PROCEEDS FROM ON-STREET PARKING METERS IN THE SAME MANNER IN WHICH PROCEEDS FROM OFF-STREET PARKING FACILITIES ARE USED. (Became law upon ratification, August 10, 1998 - S.L. 1998-86.)

H.B. 1618, AN ACT TO GRANT AUTHORITY TO THE CITY OF EDEN TO ADDRESS ABANDONED STRUCTURES IN THE SAME MANNER AS MUNICIPALITIES IN COUNTIES WITH A POPULATION OF OVER ONE HUNDRED SIXTY-THREE THOUSAND. (Became law upon ratification, August 10, 1998 - S.L. 1998-87.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Miller for the **State Government, Local Government, and Personnel Committee:**

H.B. 1625, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE CHAIR

OF THE HALIFAX TOURISM DEVELOPMENT AUTHORITY SHALL BE ELECTED BY THE MEMBERS OF THE AUTHORITY, with an unfavorable report as to bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 6463 is adopted and engrossed.

By Senator Jenkins for the **Pensions & Retirement and Insurance Committee**:

H.B. 1396 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE PROVISIONS OF THE WINSTON-SALEM FIREMEN'S FUND ASSOCIATION, with a favorable report.

H.B. 1538, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF SHARPSBURG TO PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM WITHOUT PROVIDING PRIOR SERVICE CREDITS TO ITS EMPLOYEES, with a favorable report.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1312, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF MOUNT GILEAD TO COLLECT UTILITY BILLS AS IF THEY WERE TAXES DUE THE TOWN.

Referred to **Finance Committee**.

RECONSIDERATION

H.B. 349 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXTEND THE TERRITORIAL JURISDICTION OF THE LEGISLATIVE SERVICES COMMISSION TO ALL OF SALISBURY STREET PROXIMATE TO THE STATE LEGISLATIVE BUILDING.

Senator Rand, having voted in the majority on August 10, offers a motion that the vote by which the Senate Committee Substitute bill passed its third reading be reconsidered, which motion prevails. The question becomes the passage of the Senate Committee Substitute bill on third reading.

On motion of Senator Rand, without objection, the Senate Committee Substitute bill is re-referred to the **Judiciary Committee**.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1497 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF CRANBERRY, upon third reading.

The Committee Substitute bill passes its third reading by roll-call vote, ayes 46, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight,

Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Rucho, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—46.

Voting in the negative: None.

The Committee Substitute bill is ordered enrolled.

H.B. 1546 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE CERTAIN MUNICIPALITIES TO CHARGE A FEE NOT TO EXCEED FIVE DOLLARS FOR UNCERTIFIED COPIES OF POLICE INCIDENT OR ACCIDENT REPORTS AND TO AUTHORIZE THE CITY TO GIVE ANNUAL NOTICE OF VIOLATION TO CHRONIC VIOLATORS OF THE CITY'S OVERGROWN VEGETATION ORDINANCE, upon third reading.

The Senate Committee Substitute bill passes its third reading by roll-call vote, ayes 39, noes 7, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Cooper, Dalton, Dannelly, Foxx, Garwood, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lucas, Martin of Pitt, Martin of Guilford, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Guilford, Soles, Warren, Weinstein, and Wellons—39.

Voting in the negative: Senators Clark, Cochrane, East, Forrester, McDaniel, Page, and Webster—7.

The Senate Committee Substitute bill is ordered sent to the House of Representatives for concurrence in the Senate Committee Substitute bill.

H.B. 1529 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT, upon third reading.

The Senate Committee Substitute bill No. 2 passes its third reading by roll-call vote, ayes 41, noes 4, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Garwood, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Soles, Warren, Weinstein, and Wellons—41.

Voting in the negative: Senators Foxx, Page, Perdue, and Webster—4.

The Senate Committee Substitute bill No. 2 is ordered sent to the House of Representatives for concurrence in the Senate Committee Substitute bill.

S.B. 1277 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE RULES OF CIVIL PROCEDURE, AND TO CLARIFY THE PUBLIC DUTY DOCTRINE AND THE TORT CLAIMS ACT, upon second reading.

The Committee Substitute bill passes its second reading (46-0).

Senator Kerr objects to the third reading of the measure. Pursuant to Rule 50, the President orders the measure placed on the Calendar for tomorrow, Wednesday, August 12, upon third reading.

S.B. 1279 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE VARIOUS TECHNICAL AMENDMENTS TO THE GENERAL STATUTES AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, AND TO MAKE

OTHER TECHNICAL CORRECTIONS AND OTHER CHANGES TO THE GENERAL STATUTES AND SESSION LAWS, upon second reading.

With unanimous consent, on motion of Senator Hartsell, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, August 12, upon second reading.

S.B. 1299 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE LAWS REGARDING THE WITHDRAWAL AND TRANSFER OF SURFACE WATERS AND THE STATE WATER SUPPLY PLAN, upon second reading.

The Committee Substitute bill passes its second (47-0) and third readings and is ordered sent to the House of Representatives.

H.B. 344 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ENHANCE MOTOR VEHICLE OCCUPANT RESTRAINT SAFETY, upon second reading.

With unanimous consent, on motion of Senator Cooper, the Senate Committee Substitute bill No. 2 is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, August 18, upon second reading.

H.B. 534 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW INCOME WITHHOLDING TO ENFORCE SUPPORT ORDERS, AND THE AWARDING OF ALIMONY, AS RECOMMENDED BY THE FAMILY LAW SECTION OF THE NORTH CAROLINA BAR ASSOCIATION, upon second reading.

With unanimous consent, on motion of Senator Cooper, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, August 12, upon second reading.

The President extends the privileges of the floor to Lura Tally, former Senator from Cumberland County.

CALENDAR *(Continued)*

H.B. 1071 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REQUIRE TENANTS TO PAY TO THE CLERK OF COURT THE AMOUNT OF RENT IN ARREARS TO STAY THE EXECUTION OF JUDGMENT FOR SUMMARY EJECTMENT PENDING APPEAL TO DISTRICT COURT AND TO POST A BOND FOR ANY FURTHER APPEALS, upon second reading.

Senator Kinnaird offers Amendment No. 1 which is adopted (47-0).

The Senate Committee Substitute bill, as amended, passes its second (46-1) and third readings and is ordered engrossed and sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 1462 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO DIRECT THE COMMISSION FOR HEALTH SERVICES TO REQUIRE THAT CERTAIN NEW SEPTIC TANK SYSTEMS INCLUDE AN EFFLUENT FILTER AND AN ACCESS DEVICE, DEVELOP STANDARDS FOR THESE FILTERS AND DEVICES, AND ADOPT THESE STANDARDS AS TEMPORARY RULES, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, upon second reading.

The Senate Committee Substitute bill No. 2 passes its second (47-0) and third readings and is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

S.B. 1354 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS STATEWIDE RURAL INFRASTRUCTURE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, AND WATER CONSERVATION AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES, for concurrence in the House Committee Substitute bill, upon second reading.

The Senate fails to concur in the House Committee Substitute bill, ayes 0, noes 47, as follows:

Voting in the affirmative: None.

Voting in the negative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—47.

Senator Kerr offers a motion that Senate appoint conferees, which motion prevails.

COMMITTEE REFERRAL RECALL

S.J.R. 1537, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF JAMES M. POYNER, FORMER MEMBER OF THE GENERAL ASSEMBLY, referred to the **Rules and Operations of the Senate Committee** on June 1.

Pursuant to Rule 47(a), Senator Rand offers a motion that the Joint Resolution be withdrawn from the **Rules and Operations of the Senate Committee** and placed on the Calendar for tomorrow, Wednesday, August 12, which motion prevails with unanimous consent.

The Chair orders the Joint Resolution withdrawn from the **Rules and Operations of the Senate Committee** and placed on the Calendar for Wednesday, August 12.

H.B. 1356 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO FACILITATE ELECTRONIC COMMERCE WITH AND BY PUBLIC AGENCIES OF THE STATE OF NORTH CAROLINA BY RECOGNIZING THE VALIDITY OF ELECTRONIC SIGNATURES AND BY AUTHORIZING THE SECRETARY OF STATE TO REGULATE ELECTRONIC SIGNATURES AND CERTIFICATION AUTHORITIES, referred to the **Appropriations Committee** on August 3.

Pursuant to Rule 47(a), Senator Plyler offers a motion that the bill be withdrawn from the **Appropriations Committee** and placed on the Calendar for tomorrow, Wednesday, August 12, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Appropriations Committee** and places it on the Calendar for Wednesday, August 12.

APPOINTMENT OF CONFEREES

S.B. 1354 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS STATEWIDE RURAL INFRASTRUCTURE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, AND WATER CONSERVATION AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES.

Pursuant to the motion by Senator Kerr to appoint conferees having prevailed earlier today, the President *Pro Tempore* appoints Senator Kerr, Chairman, and Senators Ballance, Carrington, Gulley, Hartsell, Hoyle, Martin of Pitt, and Reeves as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action and requesting conferees.

On motion of Senator Basnight, seconded by Senator Hoyle, the Senate adjourns at 2:43 P.M. to meet tomorrow, Wednesday, August 12, at 2:00 P.M.

ONE HUNDRED SEVENTY-EIGHTH DAY

Senate Chamber
Wednesday, August 12, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Eternal God, long ago King Solomon wrote that a word aptly spoken is like apples of gold in settings of silver.

"Teach us the power of a single word. A word can sink us to depths or lift us to heights, condemn a person or free that person, incite a mob to violence or calm a hostile environment.

"May we choose our words as we would choose our best friends and weigh each word carefully because, Oh Lord, our own words can condemn or save us.

"We thank You for Your Word, for the Living Word, and for the true spoken Word. Let us hide Your Word in our hearts this day that we may not sin against You. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Basnight and Senator Gulley.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Tuesday, August 11, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Richard Garth Berry from Whiteville, North Carolina, who is serving the Senate as Doctor of the Day, and to Patsy Ezzell from Rocky Mount, North Carolina, who is serving the Senate as Nurse of the Day.

CALENDAR

Bills and a resolution on today's Calendar are taken up and disposed of, as follows:

S.J.R. 1537, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF JAMES M. POYNER, FORMER MEMBER OF THE GENERAL ASSEMBLY, upon second reading.

With unanimous consent, on motion of Senator Rand, the joint resolution is taken up out of its regular order of business, and on his further motion is placed before the Senate for immediate consideration.

With unanimous consent, on motion of Senator Reeves, the joint resolution is read in its entirety, and on his further motion, the remarks of the Senators memorializing the life and memory of James M. Poyner, former member of the General Assembly, are spread upon the Journal, as follows:

Senator Reeves:

"Ladies and Gentlemen of the Senate, it is my honor at this moment, to pay tribute to one of my predecessors in this office, the late James M. Poyner. When he was a Senator representing Wake County, he served in a two-seat district, much like I do right now. He served with Wade H. Haskell. His term in the Senate from 1955-1958 was filled with critical issues of the day that remain defining us to this day. During his tenure of the Senate, he modernized many departments, such as prison reorganization, judicial reorganization, and probably most importantly we feel the echoes of it to this day, was education reform following the *Brown vs Board of Education* decision in 1954. He had the respect of then Governor Luther Hodges who appointed him as a freshman Senator to several very important committees, like the committee to Recodify the Revenue Act and the committee which was known as the Bell Commission on Improving the Administration of Justice. Interestingly enough, those are issues that we are still dealing with of this day. While he was in the Senate he introduced 25 bills. He served on several committees, and he even presided over the Senate on a Saturday. Apparently we used to meet on Saturday and the local delegation would run the hall. On Saturday, April 9, 1955, he ran the Senate that day. Two bills were engrossed and sent over to the House. They were a tax cut on peanuts and a clarification of statutes relating to private cemeteries. After his stay in the Senate, he became very active. He was active in the community prior to that time but he became even more active. Apparently he really loved playing music. He loved golf. He was very, very good at financing real estate transactions. In its editorial following his death, the *News and Observer* recounted many of the things that he did in our area. In their last sentence, it says, 'In the process he did much for his city and his fellow citizens.' And as a new person living in Wake County, I can truthfully say that there's very little things that I do that were not touched at some point by Mr. Poyner."

Senator Rand:

"Thank you Mr. President. If one was growing up in Wake County in the 40's, and 50's and 60's, if you didn't know who Jimmy Poyner was, I don't think you were aware

of what was going on anywhere. He was, I guess a man for all seasons, in that he loved music, he was a consummate lawyer, he was a wonderful businessman. He did so much for the community in which he lived and for our State. He was a hard worker. A man who meant a great deal to his family, of course, and one who I think should be an example to those of us who come after him because of his many interests. I'm sure he knew a lot about the peanut bill and the cemetery bill because he was that kind of fellow, who took a great deal of interest in everything that came before this Body and anything that was going on in his county and in his state, I'm sure he was very interested in. It would certainly be best for us all, Mr. President, but his contributions and his memories will last long after he has left us. Thank you."

The joint resolution passes its second reading (47-0) and third reading, with members standing, and is ordered, without objection, sent to the House of Representatives by special messenger.

The President extends courtesies of the Gallery to the family of James M. Poyner: Susan Poyner Moore, Edythe Poyner, and James Marion Poyner III.

The President extends the courtesies of the gallery to Conal Gregory and his wife, Helen. Mr. Gregory is a former Member of Parliament from York, England.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.B. 1256, AN ACT ABOLISHING THE OFFICE OF CORONER IN ASHE, GASTON AND ROCKINGHAM COUNTIES.

H.B. 1497, AN ACT TO INCORPORATE THE TOWN OF CRANBERRY.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1540, AN ACT TO CONFORM THE CHARTER OF THE CITY OF HAVELOCK TO GENERAL LAW BY PROVIDING FOR AN ELECTION TO FILL THE REMAINDER OF THE UNEXPIRED TERM OF A COUNCIL MEMBER WHEN THE VACANCY OCCURS DURING THE FIRST TWO YEARS OF A FOUR-YEAR TERM. (Became law upon ratification, August 11, 1998 - S.L. 1998-88.)

H.B. 1615, AN ACT TO CLARIFY THE AUTHORITY OF THE COUNTY OF DURHAM TO FUND THE ESTABLISHMENT OF BIKEWAYS AND TRAILS THROUGHOUT THE COUNTY. (Became law upon ratification, August 11, 1998 - S.L. 1998-89.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Hoyle for the **Finance Committee**:

H.B. 1275, A BILL TO BE ENTITLED AN ACT TO EXTEND THE PERMISSIBLE LENGTH OF LEASES ENTERED INTO BY THE STATESVILLE MUNICIPAL AIRPORT FROM TWENTY TO TWENTY-FIVE YEARS, with a favorable report.

H.B. 1602, A BILL TO BE ENTITLED AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE TOWN OF ROWLAND, with a favorable report.

By Senator Cooper for the **Judiciary Committee**:

H.B. 1094 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO REPEAL OBSOLETE OR PREEMPTED PROVISIONS OF THE GENERAL STATUTES AFFECTING RAILROADS, TO RECODIFY CERTAIN RAILROAD STATUTES, AND TO MAKE CONFORMING CHANGES AND CLARIFYING CHANGES, with an unfavorable report as to Committee Substitute bill No. 2, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 3171 is adopted and engrossed.

COMMITTEE REFERRAL RECALL

S.B. 1285, A BILL TO BE ENTITLED AN ACT TO EXEMPT THE TRANSPORTATION OF CERTAIN AGRICULTURAL PRODUCTS FROM VARIOUS REQUIREMENTS IN CONFORMITY WITH FEDERAL REGULATIONS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, referred to the **Transportation Committee** on May 27.

Pursuant to Rule 47(a), Senator Shaw of Cumberland offers a motion that the bill be withdrawn from the **Transportation Committee** and re-referred to the **Agriculture/Environment/Natural Resources Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Transportation Committee** and refers the measure to the **Agriculture/Environment/Natural Resources Committee**.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 138 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ALLOW AN ALTERNATIVE PROCEDURE FOR DISSOLUTION OF A SANITARY DISTRICT THAT HAS NO INDEBTEDNESS AND THE TERRITORY OF WHICH HAS BEEN ENTIRELY ANNEXED, for concurrence in House Committee Substitute No. 2.

Referred to **Agriculture/Environment/Natural Resources Committee**.

H.B. 1272 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE FEE FOR PURPLE HEART REGISTRATION PLATES AND TO

REQUIRE THE DIVISION OF MOTOR VEHICLES TO REDESIGN THE PURPLE HEART PLATE.

Referred to **Finance Committee**.

CALENDAR *(Continued)*

H.B. 1625 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE CHAIR OF THE HALIFAX TOURISM DEVELOPMENT AUTHORITY SHALL BE ELECTED BY THE MEMBERS OF THE AUTHORITY, upon second reading.

Senator Miller offers Amendment No. 1 which is adopted (48-0).

The Senate Committee Substitute bill, as amended, passes its second and third readings and is ordered engrossed and sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 1396 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE PROVISIONS OF THE WINSTON-SALEM FIREMEN'S FUND ASSOCIATION, upon second reading.

The Committee Substitute bill passes its second and third readings and is ordered enrolled.

H.B. 1538, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF SHARPSBURG TO PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM WITHOUT PROVIDING PRIOR SERVICE CREDITS TO ITS EMPLOYEES, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

H.B. 1624, A BILL TO BE ENTITLED AN ACT TO REPEAL THE LAW PERMITTING THE TAKING OF CATFISH AND EELS IN TRAPS FROM THE HIGHWAY 258 BRIDGE TO THE OCCONEECHEE GUT IN NORTHAMPTON COUNTY, upon second reading.

The bill passes its second and third readings and is ordered enrolled.

The President relinquishes the gavel to Senator Ballance, Deputy President Pro Tempore, who presides in the absence of the Lieutenant Governor.

H.B. 1356 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO FACILITATE ELECTRONIC COMMERCE WITH AND BY PUBLIC AGENCIES OF THE STATE OF NORTH CAROLINA BY RECOGNIZING THE VALIDITY OF ELECTRONIC SIGNATURES AND BY AUTHORIZING THE SECRETARY OF STATE TO REGULATE ELECTRONIC SIGNATURES AND CERTIFICATION AUTHORITIES, upon second reading.

The Senate Committee Substitute bill No. 2 passes its second reading by roll-call vote, ayes 48, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—48.

Voting in the negative: None.

The Senate Committee Substitute bill No. 2 is ordered placed on the Calendar for tomorrow, Thursday, August 12, upon third reading.

S.B. 1140 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO ALLOW LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE SINGLE-PRIME BIDDING, MULTI-PRIME BIDDING, OR BOTH, FOR CONSTRUCTION PROJECTS OVER FIVE HUNDRED THOUSAND DOLLARS, upon second reading.

With unanimous consent, on motion of Senator Lee, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, August 19, upon second reading.

Senator Ballance, Deputy President Pro Tempore relinquishes the gavel the President of the Senate, Lieutenant Governor Wicker, who presides.

S.B. 1279 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE VARIOUS TECHNICAL AMENDMENTS TO THE GENERAL STATUTES AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, AND TO MAKE OTHER TECHNICAL CORRECTIONS AND OTHER CHANGES TO THE GENERAL STATUTES AND SESSION LAWS, upon second reading.

Senator Hartsell offers Amendment No. 1 which is adopted (48-0).

Senator Cooper offers Amendment No. 2 which is adopted (44-4).

Senator Cooper offers Amendment No. 3 which is adopted (48-0).

Senator Kinnaird offers Amendment No. 4 which is adopted (46-1).

The Committee Substitute bill, as amended, passes its second (47-0) reading.

Senator Hartsell objects to the third reading of the measure. Pursuant to Rule 50, the President orders the measure placed on the Calendar for tomorrow, Thursday, August 13, upon third reading.

WITHDRAWAL FROM CALENDAR

S.B. 1279 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE VARIOUS TECHNICAL AMENDMENTS TO THE GENERAL STATUTES AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, AND TO MAKE OTHER TECHNICAL CORRECTIONS AND OTHER CHANGES TO THE GENERAL STATUTES AND SESSION LAWS, placed on the Calendar for Thursday, August 13.

Senator Hartsell offers a motion the Committee Substitute bill be withdrawn from the Calendar for Thursday, August 13, and placed at the end of today's Calendar, which motion prevails with unanimous consent.

The Chair orders the Committee Substitute bill withdrawn from the Calendar for Thursday, August 13, and placed at the end of today's Calendar.

CALENDAR *(Continued)*

H.B. 534 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW INCOME WITHHOLDING TO ENFORCE SUPPORT ORDERS, AND THE AWARDING OF ALIMONY, AS RECOMMENDED BY THE FAMILY LAW SECTION OF THE NORTH CAROLINA BAR ASSOCIATION, upon second reading.

The Senate Committee Substitute bill passes its second reading (39-8).

Senator Webster objects to the third reading of the measure. Pursuant to Rule 50, the President orders the measure placed on the Calendar for tomorrow, Thursday, August 13, upon third reading.

H.B. 1371 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO INCREASE PURCHASING FLEXIBILITY FOR ALL PUBLIC SCHOOLS, upon second reading.

With unanimous consent, on motion of Senator Dalton, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, August 18, upon second reading.

S.B. 1277 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE RULES OF CIVIL PROCEDURE, AND TO CLARIFY THE PUBLIC DUTY DOCTRINE AND THE TORT CLAIMS ACT, upon third reading.

Senator Kerr, Co-Chairman of the Finance Committee, requests a fiscal note on the Committee Substitute bill. Pursuant to Rule 42.1, the President orders the measure placed on the Calendar for Tuesday, August 18, upon third reading.

S.B. 1124 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO EMPLOY TEACHERS WHO ARE LEGALLY CERTIFICATED IN ANOTHER STATE EVEN THOUGH THEY MAY NOT BE CERTIFICATED IN NORTH CAROLINA, AND TO PROVIDE AN ALTERNATIVE METHOD FOR LOCAL BOARDS TO HIRE LATERAL ENTRY TEACHERS, for concurrence in the House Committee Substitute bill.

The Senate fails to concur in the House Committee Substitute bill (4-44).

Senator Hartsell offers a motion that the Senate appoint conferees, which motion prevails.

A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

CONFERENCE REPORT

H.B. 72 (Senate Committee Substitute)

Senator Rand for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **H.B. 72** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF OAK RIDGE, SUBJECT TO A REFERENDUM, submits for adoption the following Conference Report No. 2:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on House Bill 72, AN ACT TO INCORPORATE THE TOWN OF OAK RIDGE, SUBJECT TO A REFERENDUM, Senate Rules and Operations of the Senate Committee Substitute Adopted 8/14/97, Third Edition Engrossed 8/28/97, submit the following report:

August 12, 1998

The House concurs in the Senate Rules and Operations of the Senate Committee Substitute Adopted 8/14/97, Third Edition Engrossed 8/28/97, with the following amendments:

(1) On page 1, line 14, delete "2017", and substitute "2018".

(2) On page 2, lines 1 through 11, by rewriting those lines to read: "From the southwestern boundary of the

Stokesdale City Limits, south on the east side of the Haw River Road to Pepper Road, south on the east side of Pepper Road to NC Hwy. 150, east on the north side of N.C. Highway 150 to Beeson Road, south on the east side of Beeson Road to the centerline of Reedy Fork Creek, thence in a generally northeasterly direction along the centerline of Reedy Fork Creek to the Eastern Right of Way line of North Carolina Highway 68, thence south along the eastern right-of-way line of North Carolina Highway 68 approximately 3,900 feet to the southern line of the subdivision containing Riding Trail Court, recorded in Plat Book 61, page 146 in the office of the Register of Deeds of Guilford County, thence east along the southern boundary of that subdivision and of Golden Acres subdivision, Phase 2, Section 2, recorded in Plat Book 99, page 98, Guilford County Register of Deeds, approximately 2,400 feet to the proposed western right-of-way line of the US220-NC68 connector as shown on Map No. 4 of the Roadway Corridor Official Maps (State Project 6.499002T (R-2413) as recorded in the office of the Register of Deeds of Guilford County approximately 4,200 feet to the southern right-of-way line of Alcorn Road as proposed on Map No. 5 of said maps, thence west along the southern proposed right-of-way line and present southern right-of-way line of Alcorn Road approximately 4,000 feet to the centerline of Reedy Fork Creek, thence northern along Reedy Fork Creek to the Oak Ridge-Bruce Township Line, thence north along the Oak Ridge-Bruce Township line to the southern right-of-way line of North Carolina Highway 150, thence southwest along the southern right-of-way line of North Carolina Highway 150 to a point due south of the western right-of-way line of Eversfield Road, thence across North Carolina Highway 150 in a direct line to the closest point of the western right-of-way line of Eversfield Road, thence north along the western right-of-way line of Eversfield Road to its intersection with the Stokesdale City Limits, thence west along the Stokesdale City limit, following the Stokesdale City Limit to the point and place of beginning."

(3) on page 3, line 16, delete "1997-98" and substitute "1998-99"

(4) on page 3, lines 12, 14, 21, and 23, delete "1997", and substitute "1998"

The Senate agrees to the same.

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: August 12, 1998.

S/Tony Rand	S/Michael Decker, Sr.
S/William Martin	S/Joanne W. Bowie
S/Bob Shaw	S/Theresa H. Esposito
	S/James W. Crawford, Jr.
Conferees for the Senate	*Conferees for the House of Representatives*

August 12, 1998

The Chair rules the Conference Report to be material and submission constitutes first reading. The Conference Report is placed on the Calendar for Thursday, August 13, for adoption, upon second reading.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 1354 (House Committee Substitute) House of Representatives
August 12, 1998

Mr. President:

Pursuant to your information that your Honorable Body failed to concur in House Committee Substitute for S.B. 1354, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS STATEWIDE RURAL INFRASTRUCTURE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, AND WATER CONSERVATION AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES, the Speaker has appointed conferees on the part of the House,

Representative Carpenter, Chairman;
Representative Watson,
Representative Baker,
Representative Hunter, and
Representative Gene Wilson
to act with a like committee on the part of the Senate to the end that the differences existing between the two bodies may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

CONFERENCE REPORT

S.B. 565 (House Committee Substitute No. 2)

Senator Hoyle for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **S.B. 565** (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO CLARIFY THE APPLICATION OF THE COMMISSIONER OF BANKS' RATE TO VARIABLE RATE LOANS WITH ADJUSTMENT PERIODS GREATER THAN ONE MONTH, TO REPEAL THE LAWS GOVERNING VARIABLE RATE LOANS OF MANUFACTURED HOMES AND INSTALLMENT RATES AND FEES, TO ESTABLISH FINANCE CHARGE RATES FOR CONSUMER CREDIT INSTALLMENT SALES CONTRACTS FOR

WATERCRAFTS, AND TO AMEND THE NORTH CAROLINA FINANCIAL PRIVACY ACT TO PERMIT THE DISCLOSURE OF THE NAME, ADDRESS, AND EXISTENCE OF AN ACCOUNT OF ANY CUSTOMER, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 565, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE APPLICATION OF THE COMMISSIONER OF BANKS' RATE TO VARIABLE RATE LOANS WITH ADJUSTMENT PERIODS GREATER THAN ONE MONTH, TO REPEAL THE LAWS GOVERNING VARIABLE RATE LOANS OF MANUFACTURED HOMES AND INSTALLMENT RATES AND FEES, TO ESTABLISH FINANCE CHARGE RATES FOR CONSUMER CREDIT INSTALLMENT SALES CONTRACTS FOR WATERCRAFTS, AND TO AMEND THE NORTH CAROLINA FINANCIAL PRIVACY ACT TO PERMIT THE DISCLOSURE OF THE NAME, ADDRESS, AND EXISTENCE OF AN ACCOUNT OF ANY CUSTOMER, House Committee Substitute #2 Favorable 8/13/97, Fourth Edition, submit the following report:

The Senate concurs in the House Committee Substitute #2 Favorable 8/13/97, Fourth Edition, with amendments as follows:

(1) on page 2, delete lines 29 through 43, and renumber the succeeding sections accordingly.
(2) on page 3, lines 21 and 22, delete the words "Section 3 of this act applies to loans made on or after that date,"
(3) on page 3, line 21 delete "1997" and substitute "1998",
(4) on page 1, lines 6 through 8, by deleting the words: "TO ESTABLISH FINANCE CHARGE RATES FOR CONSUMER CREDIT INSTALLMENT SALES CONTRACTS FOR WATERCRAFTS,"

The House agrees to the same.

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: August 12, 1998.

S/David Hoyle	S/Walter Church
S/Eric M. Reeves	S/Gregg Thompson
S/Patrick J. Ballantine	S/David Miner
	S/Dewey L. Hill
	S/Bobby R. Hall
Conferees for the Senate	*Conferees for the House of Representatives*

The Conference Report is placed on the Calendar for Thursday, August 13, for adoption.

CALENDAR *(Continued)*

S.B. 1279 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE VARIOUS TECHNICAL AMENDMENTS TO THE GENERAL STATUTES AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, AND TO MAKE OTHER TECHNICAL CORRECTIONS AND OTHER CHANGES TO THE GENERAL STATUTES AND SESSION LAWS, placed earlier on today's Calendar, upon third reading.

Senator Cooper offers Amendment No. 5 which is adopted (48-0), amending Amendment No. 4.

The Committee Substitute bill, as amended, passes its third reading (47-1), and is ordered engrossed and sent to the House of Representatives.

APPOINTMENT OF CONFERENCE COMMITTEE

S.B. 1124 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO EMPLOY TEACHERS WHO ARE LEGALLY CERTIFICATED IN ANOTHER STATE EVEN THOUGH THEY MAY NOT BE CERTIFICATED IN NORTH CAROLINA, AND TO PROVIDE AN ALTERNATIVE METHOD FOR LOCAL BOARDS TO HIRE LATERAL ENTRY TEACHERS.

Pursuant to the motion by Senator Hartsell to appoint conferees having prevailed earlier, the President *Pro Tempore* appoints Senator Hartsell, Chairman, and Senator Dalton, Senator Lee, and Senator Winner as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action and requesting conferees.

On motion of Senator Basnight, seconded by Senator Carrington, the Senate adjourns at 3:29 P.M. to meet tomorrow, Thursday, August 13, at 10:00 A.M.

ONE HUNDRED SEVENTY-NINTH DAY

Senate Chamber
Thursday, August 13, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Marc Basnight, President *Pro Tempore*, who presides in the absence of the Lieutenant Governor.

Prayer is offered by the Reverend Lane Sapp, Pastor of the Calvary Moravian Church in Winston-Salem, North Carolina, as follows:

"Sovereign God, we pause in this morning hour, to recognize Your sovereignty over this Nation and State, and this Body, the Senate of North Carolina. Remind those of us assembling here, that the authority to govern has been granted by Your benevolent hand. With so awesome a responsibility before us, Your servants, grant the strength and stamina of heart, soul, mind and body. Teach us that the only way to adequately tackle the unfinished tasks before us in these remaining weeks is to collectively seek Your Will and

guidance in all we say and do. Instill, Oh Lord, within us the courage to act boldly, to stand for right as our conscience leads, and to work for the collective good of those we serve, preserving Your gifts of justice, peace, compassion and mercy. Be gracious to us this day, and preserve us always in Your truth. Amen."

Upon motion of Senators Horton and McDaniel of Forsyth County, the Chair is happy to extend courtesies to Mrs. Lyllyann Sapp and sons, Jonathan and Charles, family of the Reverend Sapp.

With unanimous consent, the President *Pro Tempore* grants a leave of absence for today to Senator Gulley.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Wednesday, August 12, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President *Pro Tempore* of the Senate extends courtesies of the floor to Vicki J. McDowell from Hickory, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 1351, AN ACT AUTHORIZING THE DELETION OF LAND AT WAYNESBOROUGH STATE PARK FROM THE STATE PARKS SYSTEM AND ITS SALE TO THE CITY OF GOLDSBORO.

The Enrolling Clerk reports the following bills and resolution duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.J.R. 1537, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF JAMES M. POYNER, FORMER MEMBER OF THE GENERAL ASSEMBLY. (Res. 42)

H.B. 1396, AN ACT TO AMEND THE PROVISIONS OF THE WINSTON-SALEM FIREMEN'S FUND ASSOCIATION.

H.B. 1538, AN ACT TO AUTHORIZE THE TOWN OF SHARPSBURG TO PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM WITHOUT PROVIDING PRIOR SERVICE CREDITS TO ITS EMPLOYEES.

H.B. 1624, AN ACT TO REPEAL THE LAW PERMITTING THE TAKING OF CATFISH AND EELS IN TRAPS FROM THE HIGHWAY 258 BRIDGE TO THE OCCONEECHEE GUT IN NORTHAMPTON COUNTY.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of

Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 245 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE METROPOLITAN SEWERAGE DISTRICTS AND CERTAIN SANITARY DISTRICTS TO USE INSTALLMENT PURCHASE FINANCING TO THE SAME EXTENT AS OTHER UNITS OF LOCAL GOVERNMENT AND TO REMOVE THE POPULATION REQUIREMENT FOR LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE INSTALLMENT PURCHASE FINANCING, for concurrence in the House Committee Substitute bill, which is placed on the Calendar for Monday, August 17.

H.B. 1326 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE USED IN DEFINING AND DETERMINING CERTAIN STATE TAX PROVISIONS, TO EXTEND THE CORPORATE INCOME TAX CARRY FORWARD FOR NET ECONOMIC LOSSES FROM FIVE YEARS TO TWENTY YEARS, TO ALLOW AN INCOME TAX DEDUCTION FOR EMPLOYEES' PAYMENTS TO THEIR EMPLOYERS FOR PARKING, AND TO CONFORM TO FEDERAL GIFT TAX TREATMENT OF CONTRIBUTIONS TO QUALIFIED TUITION PROGRAMS.

Referred to **Finance Committee**.

H.B. 1469 (Committee Substitute), A BILL TO BE ENTITLED AN ACT REORGANIZING THE STATE PERSONNEL COMMISSION AND AUTHORIZING THE CHAIR OF THE STATE PERSONNEL COMMISSION TO APPOINT PANELS OF ITS MEMBERS TO MAKE RECOMMENDATIONS TO THE FULL COMMISSION REGARDING THE FINAL DECISION IN CONTESTED CASES.

Referred to **State Government, Local Government, and Personnel Committee**.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1602, A BILL TO BE ENTITLED AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE TOWN OF ROWLAND, upon second reading.

The bill passes its second reading by roll-call vote, ayes 49, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—49.

Voting in the negative: None.

The bill is ordered placed on the Calendar for Monday, August 17, upon third reading.

H.B. 1275, A BILL TO BE ENTITLED AN ACT TO EXTEND THE PERMISSIBLE LENGTH OF LEASES ENTERED INTO BY THE STATESVILLE MUNICIPAL AIRPORT FROM TWENTY TO TWENTY-FIVE YEARS, upon second reading.

The bill passes its second (49-0) and third readings and is ordered enrolled.

H.B. 72 (Conference Report No. 2), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF OAK RIDGE, SUBJECT TO A REFERENDUM, for adoption, upon second reading.

On motion of Senator Rand, the Senate adopts Conference Report No. 2 on its second reading by roll-call vote, ayes 49, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—49.

Voting in the negative: None.

The Conference Report remains on the Calendar for Monday, August 17, for adoption, upon third reading.

H.B. 1356 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO FACILITATE ELECTRONIC COMMERCE WITH AND BY PUBLIC AGENCIES OF THE STATE OF NORTH CAROLINA BY RECOGNIZING THE VALIDITY OF ELECTRONIC SIGNATURES AND BY AUTHORIZING THE SECRETARY OF STATE TO REGULATE ELECTRONIC SIGNATURES AND CERTIFICATION AUTHORITIES, upon third reading.

The Senate Committee Substitute bill No. 2 passes its third reading by roll-call vote, ayes 49, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—49.

Voting in the negative: None.

The Senate Committee Substitute bill No. 2 is ordered sent to the House of Representatives, for concurrence in Senate Committee Substitute bill No. 2.

H.B. 1094 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REPEAL OBSOLETE OR PREEMPTED PROVISIONS OF THE GENERAL STATUTES AFFECTING RAILROADS, TO RECODIFY CERTAIN RAILROAD STATUTES, AND TO MAKE CONFORMING CHANGES AND CLARIFYING CHANGES, upon second reading.

With unanimous consent, on motion of Senator Cooper, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Monday, August 17, upon second reading.

H.B. 534 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW INCOME WITHHOLDING TO ENFORCE SUPPORT ORDERS, AND THE AWARDING OF ALIMONY, AS RECOMMENDED BY THE FAMILY LAW SECTION OF THE NORTH CAROLINA BAR ASSOCIATION, upon third reading.

With unanimous consent, on motion of Senator Reeves, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, August 19, upon third reading.

S.B. 565 (Conference Report), A BILL TO BE ENTITLED AN ACT TO CLARIFY THE APPLICATION OF THE COMMISSIONER OF BANKS' RATE TO VARIABLE RATE LOANS WITH ADJUSTMENT PERIODS GREATER THAN ONE MONTH, TO REPEAL THE LAWS GOVERNING VARIABLE RATE LOANS OF MANUFACTURED HOMES AND INSTALLMENT RATES AND FEES, AND TO AMEND THE NORTH CAROLINA FINANCIAL PRIVACY ACT TO PERMIT THE DISCLOSURE OF THE NAME, ADDRESS, AND EXISTENCE OF AN ACCOUNT OF ANY CUSTOMER, for adoption.

On motion of Senator Reeves, the Senate adopts the Conference Report (46-3).

COMMITTEE REFERRAL RECALL

H.B. 1474 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE MOTOR VEHICLE LAWS TO CONFORM WITH FEDERAL LAW AND TO MAKE TECHNICAL AND OTHER CHANGES, referred to the **Judiciary Committee** on August 10.

Pursuant to Rule 47(a), Senator Cooper offers a motion that the bill be withdrawn from the **Judiciary Committee** and re-referred to the **Transportation Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Judiciary Committee** and refers the measure to the **Transportation Committee**.

REPORT OF COMMITTEE

A standing committee report is submitted out of the regular order of business, bills are read by their titles, together with the report accompanying them, and take their place on the Calendar, as follows:

By Senator Cooper for the **Judiciary Committee**:

H.B. 581 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE A CIVIL ACTION REMEDY FOR PERSONS WHO ARE SEXUALLY EXPLOITED BY THEIR PSYCHOTHERAPIST, with an unfavorable report as to Committee Substitute bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 4211 is adopted and engrossed.

H.B. 908 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODIFY THE RIGHTS OF A DECEDENT'S SPOUSE AND TO PERMIT NOTICE TO CREDITORS IN SUMMARY ADMINISTRATION OF ESTATES, with an unfavorable report as to Senate Committee Substitute bill No.1, but favorable as to Senate Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill No. 2, 2413 is adopted and engrossed.

On motion of Senator Ballance, seconded by Senator Shaw of Cumberland, the Senate adjourns at 10:29 A.M. to meet Monday, August 17, at 7:00 P.M.

ONE HUNDRED EIGHTIETH DAY

Senate Chamber
Monday, August 17, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Walton Pettit, Jr., Rector of St. Stephen's and St. Cyprian's, Oxford, North Carolina, as follows:

"Oh God, the Fountain of Wisdom, whose will is good and gracious, and whose law is truth, we beseech You to guide and bless our Senators of this State that they may enact such laws as shall please You, to the glory of Your Name and the welfare of this people of North Carolina. Help us to use the blessings and resources You have given us to honor You and to serve the people of this State. We pray in the Name of Jesus Christ our Lord. Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator Ballance, Senator Garwood, Senator Hartsell, Senator Hoyle, Senator Jordan, Senator Martin of Pitt, Senator Moore, Senator Rucho, Senator Webster, and Senator Winner.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, August 13, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Hubert Patterson from Raleigh, North Carolina, who is serving the Senate as Doctor of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.B. 1442, AN ACT TO AUTHORIZE UNION COUNTY TO SELL LAND THAT IS CURRENTLY USED FOR COMMUNITY COLLEGE PURPOSES AND USE THE PROCEEDS FOR COMMUNITY COLLEGE CAPITAL EXPENDITURES.

H.B. 1275, AN ACT TO EXTEND THE PERMISSIBLE LENGTH OF LEASES ENTERED INTO BY THE STATESVILLE MUNICIPAL AIRPORT FROM TWENTY TO TWENTY-FIVE YEARS.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1256, AN ACT ABOLISHING THE OFFICE OF CORONER IN ASHE, GASTON AND ROCKINGHAM COUNTIES. (Became law upon ratification, August 12, 1998 - S.L. 1998-90.)

H.B. 1497, AN ACT TO INCORPORATE THE TOWN OF CRANBERRY. (Became law upon ratification, August 12, 1998 - S.L. 1998-91.)

H.B. 1396, AN ACT TO AMEND THE PROVISIONS OF THE WINSTON-SALEM FIREMEN'S FUND ASSOCIATION. (Became law upon ratification, August 13, 1998 - S.L. 1998-92.)

H.B. 1538, AN ACT TO AUTHORIZE THE TOWN OF SHARPSBURG TO PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM WITHOUT PROVIDING PRIOR SERVICE CREDITS TO ITS EMPLOYEES. (Became law upon ratification, August 13, 1998 - S.L. 1998-93.)

H.B. 1624, AN ACT TO REPEAL THE LAW PERMITTING THE TAKING OF CATFISH AND EELS IN TRAPS FROM THE HIGHWAY 258 BRIDGE TO THE OCCONEECHEE GUT IN NORTHAMPTON COUNTY. (Became law upon ratification, August 13, 1998 - S.L. 1998-94.)

S.B. 1252, AN ACT TO SIMPLIFY AND MODIFY PRIVILEGE LICENSE AND EXCISE TAXES AND RELATED PERMIT FEES. (Became law upon approval of the Governor, August 14, 1998 - S.L. 1998-95.)

S.B. 1001, AN ACT TO PROVIDE AN AMUSEMENTS TAX EXEMPTION FOR CERTAIN NONPROFIT ARTS ORGANIZATIONS AND COMMUNITY FESTIVALS. (Became law upon approval of the Governor, August 14, 1998 - S.L. 1998-96.)

S.B. 1149, AN ACT TO REPEAL THE REQUIREMENT PERTAINING TO THE REIMBURSEMENT RATE FOR THE RESPITE CARE PROGRAM. (Became law upon approval of the Governor, August 14, 1998 - S.L. 1998-97.)

S.B. 1226, AN ACT TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE REVENUE LAWS AND RELATED STATUTES. (Became law upon approval of the Governor, August 14, 1998 - S.L. 1998-98.)

H.B. 1415, AN ACT TO STRENGTHEN THE SEDIMENTATION POLLUTION CONTROL ACT OF 1973, AS RECOMMENDED BY THE SEDIMENTATION CONTROL COMMISSION AND THE ENVIRONMENTAL REVIEW COMMISSION. (Became law upon approval of the Governor, August 14, 1998 - S.L. 1998-99.)

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1360 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW AND TO PROVIDE THAT A MAJORITY OF MEMBERS OF THE ALAMANCE-BURLINGTON BOARD OF EDUCATION SHALL BE ELECTED IN 1998, for concurrence in the House Committee Substitute bill, which is placed on the Calendar for tomorrow, Tuesday, August 18.

S.B. 1422 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXTEND AND IMPROVE THE CABARRUS COUNTY WORK OVER WELFARE PROGRAM, for concurrence in the House Committee Substitute bill, which is placed on the Calendar for tomorrow, Tuesday, August 18.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 565 (Conference Report) House of Representatives
August 13, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House has adopted the report of the Conferees for SB 565, A BILL TO BE ENTITLED AN ACT TO CLARIFY THE APPLICATION OF THE COMMISSIONER OF BANK'S RATE TO VARIABLE RATE LOANS WITH ADJUSTMENT PERIODS GREATER THAN ONE MONTH, TO REPEAL THE LAWS GOVERNING VARIABLE RATE LOANS OF MANUFACTURED HOMES AND INSTALLMENT RATES AND FEES, AND TO AMEND THE NORTH CAROLINA FINANCIAL PRIVACY ACT TO PERMIT THE DISCLOSURE OF THE NAME, ADDRESS, AND EXISTENCE OF AN ACCOUNT OF ANY CUSTOMER, to the end that when a similar action has been taken on the part of the Senate, you may order the bill enrolled.

Respectfully,
S/Denise Weeks
Principal Clerk

Pursuant to the Senate having adopted the Conference Report on August 13, the President orders the bill enrolled and sent to the Governor.

The following special message is received from the House of Representatives:

S.B. 1124 (House Committee Substitute) House of Representatives
August 13, 1998

Mr. President:

Pursuant to your information that your Honorable Body failed to concur in House Committee Substitute for SB 1124, A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO EMPLOY TEACHERS WHO ARE LEGALLY CERTIFICATED IN ANOTHER STATE EVEN THOUGH THEY MAY NOT BE CERTIFICATED IN NORTH CAROLINA, AND TO PROVIDE AN ALTERNATIVE METHOD FOR LOCAL BOARDS TO HIRE LATERAL ENTRY TEACHERS, the Speaker has appointed as conferees on the part of the House,

Representative Shubert, Chair;
Representative Morgan

to act with a like committee on the part of the Senate to the end that the differences existing between the two bodies may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

WITHDRAWAL FROM CALENDAR

S.B. 1360 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW AND TO PROVIDE THAT A MAJORITY OF MEMBERS OF THE ALAMANCE-BURLINGTON BOARD OF EDUCATION SHALL BE ELECTED IN 1998, placed on the Calendar for Tuesday, August 18.

Senator Plyler offers a motion that the House Committee Substitute bill be withdrawn from the Calendar for Tuesday, August 18, and placed on the Calendar for Thursday, August 20, which motion prevails with unanimous consent.

The Chair orders the House Committee Substitute bill withdrawn from the Calendar for Tuesday, August 18, and places it on the Calendar for Thursday, August 20.

CALENDAR

Bills on tonight's Calendar are taken up and disposed of, as follows:

H.B. 1602, A BILL TO BE ENTITLED AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE TOWN OF ROWLAND, upon third reading.

The bill passes its third reading by roll-call vote, ayes 37, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Gulley, Horton, Kerr, Kinnaird, Ledbetter, Lee, Lucas, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, and Wellons—37.

Voting in the negative: None.

The bill is ordered enrolled.

H.B. 72 (Conference Report No. 2), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF OAK RIDGE, SUBJECT TO A REFERENDUM, for adoption, upon third reading.

On motion of Senator Rand, the Senate adopts the Conference Report on its third reading by roll-call vote, ayes 37, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Gulley, Horton, Kerr, Kinnaird, Ledbetter, Lee, Lucas, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, and Wellons—37.

Voting in the negative: None.

The Chair orders a message sent to the House of Representatives informing that Honorable Body of such action.

H.B. 581 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE A CIVIL ACTION REMEDY FOR PERSONS WHO ARE SEXUALLY EXPLOITED BY THEIR PSYCHOTHERAPIST, upon second reading.

The Senate Committee Substitute bill passes its second reading (37-0).

Senator Ballantine objects to third reading of the measure. Pursuant to Rule 50, the President orders the measure placed on the Calendar for tomorrow, Tuesday, August 18, upon third reading.

H.B. 908 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MODIFY THE RIGHTS OF A DECEDENT'S SPOUSE AND TO PERMIT NOTICE TO CREDITORS IN SUMMARY ADMINISTRATION OF ESTATES, upon second reading.

With unanimous consent, on motion of Senator Miller, the Senate Committee Substitute bill No. 2 is withdrawn from tonight's Calendar and is placed on the Calendar for tomorrow, Tuesday, August 18, upon second reading.

H.B. 1094 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REPEAL OBSOLETE OR PREEMPTED PROVISIONS OF THE GENERAL STATUTES AFFECTING RAILROADS, TO RECODIFY CERTAIN RAILROAD STATUTES, AND TO MAKE CONFORMING CHANGES AND CLARIFYING CHANGES, upon second reading.

With unanimous consent, on motion of Senator Cooper, the Senate Committee Substitute bill is withdrawn from tonight's Calendar and is placed on the Calendar for tomorrow, Tuesday, August 18, upon second reading.

S.B. 245 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE METROPOLITAN SEWERAGE DISTRICTS AND CERTAIN SANITARY DISTRICTS TO USE INSTALLMENT PURCHASE FINANCING TO THE SAME EXTENT AS OTHER UNITS OF LOCAL GOVERNMENT AND TO REMOVE THE POPULATION REQUIREMENT FOR LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE INSTALLMENT PURCHASE FINANCING, for concurrence in the House Committee Substitute bill, upon second reading.

The Senate concurs in the House Committee Substitute bill on its second reading by roll-call vote, ayes 39, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Gulley, Horton, Jenkins, Kerr, Kinnaird, Ledbetter, Lee, Lucas, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, and Wellons—39.

Voting in the negative: None.

The House Committee Substitute bill remains on the Calendar for tomorrow, Tuesday, August 18, upon third reading.

The President recognizes the following pages serving in the Senate this week:

Linda Kathryn Arthurs, Thomasville; Eric Campbell, New Bern; James Benjamin Garner, Wake Forest; Jonathan A. Garner, Wake Forest; Nathaniel Garner, Wake Forest; Ernest Terry Gore, II, Fayetteville; Kia Hood, Clayton; Amber Lunn, Durham; Christa Nicole Musgrove, Durham; Meredith B. Oakes, Raleigh; Joshua Snyder, Durham; Joy Elizabeth Snyder, Durham; Nadia L. Stone, Clayton; David R. Stroud, Rocky Mount;

Paul Suffern, Chapel Hill; Leigh Coakley Tulloss, Clayton; and Katharine Vess, Pinehurst.

On motion of Senator Basnight, seconded by Senator Allran, the Senate adjourns at 7:21 P.M. to meet tomorrow, Tuesday, August 18, at 2:00 P.M.

ONE HUNDRED EIGHTY-FIRST DAY

Senate Chamber
Tuesday, August 18, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Eternal God, Holy Scripture says that 'the price of wisdom is above rubies.' Even when we have gathered the facts and have heard both sides of the story, we are still often at a loss to make a wise decision.

"We can study to obtain knowledge, we can gather the facts, but how do we acquire wisdom? We ask, Oh God, for Your help that we might have wisdom in order to put our knowledge to wise use. Then help us to use our wisdom for good in the world in which we live. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Garwood, Senator Hartsell, and Senator Moore.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Monday, August 17, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Ronald Bernard Shealy from Winston-Salem, North Carolina, who is serving the Senate as Doctor of the Day, and to Julie M. Boggus from Charlotte, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 565, AN ACT TO CLARIFY THE APPLICATION OF THE COMMISSIONER OF BANKS' RATE TO VARIABLE RATE LOANS WITH ADJUSTMENT PERIODS GREATER THAN ONE MONTH, TO REPEAL THE LAWS GOVERNING VARIABLE RATE LOANS OF MANUFACTURED HOMES AND INSTALLMENT RATES AND FEES, AND TO AMEND THE NORTH CAROLINA FINANCIAL PRIVACY ACT TO PERMIT THE DISCLOSURE OF THE NAME, ADDRESS, AND EXISTENCE OF AN ACCOUNT OF ANY CUSTOMER.

H.B. 794, AN ACT TO MAKE SUBSTANTIVE CHANGES TO THE NORTH CAROLINA ENGINEERING AND LAND SURVEYING ACT.

The Enrolling Clerk reports the following bills and resolution duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.J.R. 1111, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF ARCHIBALD KIMBROUGH DAVIS, FORMER MEMBER OF THE GENERAL ASSEMBLY. (Res. 43)

S.B. 1112, AN ACT TO ALLOW ABSENTEE VOTING IN LAURINBURG CITY ELECTIONS CONDUCTED BY THE MUNICIPAL BOARD OF ELECTIONS.

S.B. 1238, AN ACT TO EXEMPT FORSYTH COUNTY FROM CERTAIN STATUTORY REQUIREMENTS IN THE RENOVATION OF FORMER TOBACCO FACTORIES FOR COUNTY GOVERNMENT OFFICES, PARKING, AND RELATED FACILITY NEEDS.

H.B. 1602, AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE TOWN OF ROWLAND.

Upon motion of Senator Cochrane of Davie County, the Chair is happy to extend the privileges of the floor to The Honorable Anthony Coleman, a member of the British Parliament, Putney District, a part of London.

Upon motion of Senator Basnight, the rules are suspended and The Honorable Coleman is escorted by Senator Cochrane to the Well of the Senate to address the Senate.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1422 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXTEND AND IMPROVE THE CABARRUS COUNTY WORK OVER WELFARE PROGRAM, for concurrence in the House Committee Substitute bill.

The Senate concurs in the House Committee Substitute bill (46-0) and the measure is ordered enrolled.

H.B. 344 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ENHANCE MOTOR VEHICLE OCCUPANT RESTRAINT SAFETY, upon second reading.

With unanimous consent, on motion of Senator Winner, the Senate Committee Substitute bill No. 2 is withdrawn from today's Calendar and is placed on the Calendar for tomorrow, Wednesday, August 19, upon second reading.

H.B. 908 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MODIFY THE RIGHTS OF A DECEDENT'S SPOUSE AND TO PERMIT NOTICE TO CREDITORS IN SUMMARY ADMINISTRATION OF ESTATES, upon second reading.

With unanimous consent, on motion of Senator Soles, the Senate Committee Substitute bill No. 2 is withdrawn from today's Calendar and is re-referred to

the **Rules and Operations of the Senate Committee.**

H.B. 1094 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REPEAL OBSOLETE OR PREEMPTED PROVISIONS OF THE GENERAL STATUTES AFFECTING RAILROADS, TO RECODIFY CERTAIN RAILROAD STATUTES, AND TO MAKE CONFORMING CHANGES AND CLARIFYING CHANGES, upon second reading.

The Senate Committee Substitute bill passes its second (47-0) and third readings and is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 1371 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO INCREASE PURCHASING FLEXIBILITY FOR ALL PUBLIC SCHOOLS, upon second reading.

The Senate Committee Substitute bill passes its second (46-1) and third readings and is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

S.B. 1277 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE RULES OF CIVIL PROCEDURE, AND TO CLARIFY THE PUBLIC DUTY DOCTRINE AND THE TORT CLAIMS ACT, upon third reading.

With unanimous consent, on motion of Senator Dalton, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, August 25, upon third reading.

H.B. 581 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE A CIVIL ACTION REMEDY FOR PERSONS WHO ARE SEXUALLY EXPLOITED BY THEIR PSYCHOTHERAPIST, upon third reading.

Senator Ballantine offers Amendment No. 1 which is adopted (34-10).

The Senate Committee Substitute bill, as amended, passes its third reading (45-1) and is ordered engrossed and sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

S.B. 245 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE METROPOLITAN SEWERAGE DISTRICTS AND CERTAIN SANITARY DISTRICTS TO USE INSTALLMENT PURCHASE FINANCING TO THE SAME EXTENT AS OTHER UNITS OF LOCAL GOVERNMENT AND TO REMOVE THE POPULATION REQUIREMENT FOR LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE INSTALLMENT PURCHASE FINANCING, for concurrence in the House Committee Substitute bill, upon third reading.

The Senate concurs in the House Committee Substitute bill on its third reading by roll-call vote, ayes 44, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Gulley, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—44.

Voting in the negative: None.

The House Committee Substitute bill is ordered enrolled and sent to the Governor.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

A special message received in the Office of the Principal Clerk from the House of Representatives transmitting a resolution is presented to the Senate, read the first time, and disposed of, as follows:

H.J.R. 1765, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF GUS NICKOLAS ECONOMOS, FORMER MEMBER OF THE GENERAL ASSEMBLY.

Upon motion of Senator Rand, the rules are suspended and the joint resolution is placed on the Calendar for tomorrow, August 19, upon second reading.

REPORTS OF COMMITTEES

Standing committee reports are submitted out of the regular order of business, bills are read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Albertson for the **Agriculture/Environment/Natural Resources Committee**:

S.B. 138 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ALLOW AN ALTERNATIVE PROCEDURE FOR DISSOLUTION OF A SANITARY DISTRICT THAT HAS NO INDEBTEDNESS AND THE TERRITORY OF WHICH HAS BEEN ENTIRELY ANNEXED, with a favorable report as to concurrence.

S.B. 1285, A BILL TO BE ENTITLED AN ACT TO EXEMPT THE TRANSPORTATION OF CERTAIN AGRICULTURAL PRODUCTS FROM VARIOUS REQUIREMENTS IN CONFORMITY WITH FEDERAL REGULATIONS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 3652, which changes the title to read **S.B. 1285** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXEMPT THE TRANSPORTATION OF CERTAIN AGRICULTURAL PRODUCTS FROM VARIOUS REQUIREMENTS IN CONFORMITY WITH FEDERAL REGULATIONS AND TO AUTHORIZE THE SOIL AND WATER CONSERVATION COMMISSION TO ADOPT TEMPORARY RULES TO IMPLEMENT THE CONSERVATION RESERVE ENHANCEMENT PROGRAM, is adopted and engrossed.

H.B. 577 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO STRENGTHEN THE REGISTRATION REQUIREMENT FOR FORESTERS, with an unfavorable report as to Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 2415 is adopted and engrossed.

Pursuant to Rule 43, the Senate Committee Substitute bill is re-referred to the **Finance Committee**.

COMMITTEE REFERRAL RECALL

H.B. 1114, A BILL TO BE ENTITLED AN ACT TO ASSESS A FEE OF FIFTY DOLLARS FOR WORTHLESS CHECKS COLLECTED THROUGH THE BAD CHECK COLLECTION PROGRAM, referred to the **Appropriations Committee** on August 11.

Pursuant to Rule 47(a), Senator Plyler offers a motion that the bill be withdrawn from the **Appropriations Committee** and re-referred to the **State Government, Local Government, and Personnel Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Appropriations Committee** and refers the measure to the **State Government, Local Government, and Personnel Committee**.

PERSONAL PRIVILEGE

With unanimous consent, on motion of Senator Ballance, the remarks of Senator Jordan who rises to a point of personal privilege are spread upon the Journal as follows:

"Thank you Mr. President and members of the Body. I rise to just share a few things with you about the City of Wilmington, something that happened a hundred years ago and we're almost at the anniversary of that occasion. The first week of November of 1898, there was a horrible occasion that occurred in this Country and in this State. It's what many call the Race Riot of 1898 in Wilmington of the overthrow of city government or the coup d'etat, however you want to put it. But it is significant because it was the only time in the history of the United States that a government was overthrown, and yet nothing ever done about it. I say that to say nothing was ever done about it, no talks ever held about that. At that time, Wilmington was the largest city in the State of North Carolina. Senator Basnight, Republicans and Blacks were great friends during that time and held the majority in the city. Through that horrible incident many African-Americans' properties were ceased, their valuables where taken. The highest paid person in the country at that time was the keeper of the ports. The first doctors, lawyers, missionaries at that time came out of Wilmington, North Carolina. When I speak to many of the Senators from Charlotte, we talk, Senator Odom, about Johnson C. Smith University. And when we sometimes talk to those from Greensboro, we speak about North Carolina A & T. Those founders, those first presidents, those who put together those first institutions of higher education, were from Wilmington. And because it was such a devastating blow, no one wanted to have anything to do with progressive, with Wilmington, because of this horrible deed that it echoed through the State and the nation. The Legislators were then elected and sent to Raleigh. The pages of history were just wiped out with African Americans, were all about from Wilmington and Southeastern North Carolina, and so many left and vowed to never to ever come back again. A hundred years passed and those prominent families in Wilmington who are probably the largest landowners and some of the richest people in this country benefited from that, and through the years many were afraid to even talk about this that happened in Wilmington. Well finally, those families of third generations are talking to those other families who were dealt those blows. And through economic development, the main thing which must occur, the Committee 100 and the Chamber of Commerce and many other folk are sitting down talking also - how to bring about some type of economic development climate in Wilmington to help bring about a change. The banking communities, everyone are

talking. I never thought it would ever happen. Having to live through the days of the Wilmington 10 and the other riots of that nature, I always knew something was strange about Wilmington; how through two or three generations of Blacks they were afraid to rise up to try to advance themselves in politics or business, but now that is changing and I hope that it will be a much received change for all those who are looking for a change to take Wilmington on to a higher heights and we can then look at Charlotte and Greensboro and try to take back our rightful place as the educational and cultural leaders of this state. I am sharing all this with you because in November probably you will start seeing many articles that are going to come out about these incidents. There's a movie going to be made and there's a number of books being written now about that, and then all can find out what really happened in Wilmington, so it's very important to me because in coming up in Wilmington all the books were taken from the library so Blacks couldn't read about the history. The books that could really tell us what Wilmington had they were just taken from the public libraries, the city libraries, and just destroyed, and the printers wouldn't even publish the real history of Wilmington. But I share all of that with you and tell you that we are moving ahead and I hope that if you have any incidents like that in your communities, that you try to lift up your community. Let them know that there should not be two communities, there ought to be one community moving ahead because if one part of the community is sick, ailing, the entire community is sick and ailing. And I believe that we all should move forward into the next century together. Thank you."

PERSONAL PRIVILEGE

With unanimous consent, on motion of Senator Rand, the remarks of Senator Winner who rises for a point of personal privilege are spread upon the Journal as follows:

"On Friday morning last week, our friend and colleague Beth Christensen, died after a six-year struggle with breast cancer which ultimately spread to many other parts of her body. Beth had been a member of the staff of the General Assembly for, I guess, twenty years. I first met her in 1981 when she was the staff to a study commission on Low and Moderate Income Housing that I had been appointed to. She was a good friend of mine over the years and she was very, very committed to this General Assembly and to seeing that we do the right things to serve the people of this State. She was creative, she was conscientious, she was very committed to her work and to each of us who served here. I would like to say to Beth if your soul is listening to this conversation, that we miss you and we appreciate your commitment to this Body and we appreciate your friendship. Thank you."

On motion of Senator Basnight, seconded by Senator Winner, the Senate adjourns at 3:17 P.M. to meet tomorrow, Wednesday, August 19, at 1:00 P.M.

ONE HUNDRED EIGHTY-SECOND DAY

Senate Chamber
Wednesday, August 19, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Eternal God, in response to a lame man's request for a few pennies, Peter responded, 'Silver and gold have I none, but such as I have I give you.' Then they healed him!

"We recognize that all of life's needs cannot be met with line items in budgets. We also know the futility of trying to meet needs without money. Help us, Oh God, not only to use our material wealth wisely but also to give of ourselves, our love, our concern, and our understanding. Then neither the gift or the giver will be impoverished. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Hoyle and Senator Page.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Tuesday, August 18, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Jerome Irvin Davis from Greensboro, North Carolina, who is serving the Senate as Doctor of the Day, and to Linda Slaughter from Garner, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 245, AN ACT TO AUTHORIZE METROPOLITAN SEWERAGE DISTRICTS AND CERTAIN SANITARY DISTRICTS TO USE INSTALLMENT PURCHASE FINANCING TO THE SAME EXTENT AS OTHER UNITS OF LOCAL GOVERNMENT AND TO REMOVE THE POPULATION REQUIREMENT FOR LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE INSTALLMENT PURCHASE FINANCING.

H.B. 915, AN ACT TO PROVIDE THAT FIREFIGHTERS WHO ENGAGE IN SOME FIRE INSPECTION ACTIVITIES AS A SECONDARY RESPONSIBILITY ARE NOT COVERED BY THE LAW PROHIBITING CONFLICTS OF INTEREST BY INSPECTION DEPARTMENTS UNDER SOME CIRCUMSTANCES.

H.B. 1071, AN ACT TO REQUIRE TENANTS TO PAY TO THE CLERK OF COURT THE AMOUNT OF RENT IN ARREARS TO STAY THE EXECUTION OF JUDGMENT FOR SUMMARY EJECTMENT PENDING APPEAL TO DISTRICT COURT AND TO POST A BOND FOR ANY FURTHER APPEALS.

H.B. 1075, AN ACT TO PERMIT LENDERS TO CONTRACT FOR AND RECEIVE SHARED APPRECIATION OR SHARED VALUE IN CERTAIN CIRCUMSTANCES.

H.B. 1367, AN ACT TO RAISE THE SALES TAX QUARTERLY THRESHOLD AND TO REPEAL THE ANNUAL WHOLESALE SALES TAX LICENSE.

H.B. 1405, AN ACT TO AMEND SMALL CLAIMS PROCEDURE TO CLARIFY THAT THE DISTRICT COURT HAS AUTHORITY TO HEAR CERTAIN MOTIONS FOR RELIEF FROM MAGISTRATES' JUDGMENTS, AND TO PROVIDE THAT A DISTRICT COURT JUDGE WHO WAS FORMERLY AN ASSISTANT DISTRICT ATTORNEY OF THE THIRTEENTH JUDICIAL DISTRICT MAY PERFORM THE MARRIAGE CEREMONY.

H.B. 1462, AN ACT TO DIRECT THE COMMISSION FOR HEALTH SERVICES TO REQUIRE THAT CERTAIN NEW SEPTIC TANK SYSTEMS INCLUDE AN EFFLUENT FILTER AND AN ACCESS DEVICE, DEVELOP STANDARDS FOR THESE FILTERS AND DEVICES, AND ADOPT THESE STANDARDS AS TEMPORARY RULES, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.B. 1422, AN ACT TO EXTEND AND IMPROVE THE CABARRUS COUNTY WORK OVER WELFARE PROGRAM.

H.B. 894, AN ACT TO PROVIDE FOUR-YEAR TERMS FOR THE MAYOR AND COUNCIL OF THE TOWN OF STONEVILLE.

H.B. 1546, AN ACT TO AUTHORIZE CERTAIN MUNICIPALITIES TO CHARGE A FEE NOT TO EXCEED FIVE DOLLARS FOR UNCERTIFIED COPIES OF POLICE INCIDENT OR ACCIDENT REPORTS AND TO AUTHORIZE THE CITY TO GIVE ANNUAL NOTICE OF VIOLATION TO CHRONIC VIOLATORS OF THE CITY'S OVERGROWN VEGETATION ORDINANCE.

H.B. 1625, AN ACT TO PROVIDE THAT THE CHAIR OF THE HALIFAX TOURISM DEVELOPMENT AUTHORITY SHALL BE ELECTED BY THE MEMBERS OF THE AUTHORITY.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1422, AN ACT TO REMOVE UNCONSTITUTIONAL RESTRICTIONS ON INDIVIDUAL INCOME TAX CREDITS FOR CHILD CARE AND FOR CONSTRUCTING DWELLINGS FOR THE HANDICAPPED. (Became law upon approval of the Governor, August 17, 1998 - S.L. 1998-100.)

S.B. 1442, AN ACT TO AUTHORIZE UNION COUNTY TO SELL LAND THAT IS CURRENTLY USED FOR COMMUNITY COLLEGE PURPOSES AND USE THE PROCEEDS FOR COMMUNITY COLLEGE CAPITAL EXPENDITURES. (Became law upon ratification, August 17, 1998 - S.L. 1998-101.)

H.B. 1275, AN ACT TO EXTEND THE PERMISSIBLE LENGTH OF LEASES ENTERED INTO BY THE STATESVILLE MUNICIPAL AIRPORT FROM TWENTY

TO TWENTY-FIVE YEARS. (Became law upon ratification, August 17, 1998 - S.L. 1998-102.)

S.B. 1112, AN ACT TO ALLOW ABSENTEE VOTING IN LAURINBURG CITY ELECTIONS CONDUCTED BY THE MUNICIPAL BOARD OF ELECTIONS. (Became law upon ratification, August 18, 1998 - S.L. 1998-103.)

S.B. 1238, AN ACT TO EXEMPT FORSYTH COUNTY FROM CERTAIN STATUTORY REQUIREMENTS IN THE RENOVATION OF FORMER TOBACCO FACTORIES FOR COUNTY GOVERNMENT OFFICES, PARKING, AND RELATED FACILITY NEEDS. (Became law upon ratification, August 18, 1998 - S.L. 1998-104.)

H.B. 1602, AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE TOWN OF ROWLAND. (Became law upon ratification, August 18, 1998 - S.L. 1998-105.)

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1533 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ENABLE THE COUNTY OF HALIFAX, THE COUNTY OF NORTHAMPTON, AND THE CITY OF ROANOKE RAPIDS TO ESTABLISH AN AIRPORT AUTHORITY FOR THE MAINTENANCE OF REGIONAL AIRPORT FACILITIES.

Referred to **Finance Committee.**

CALENDAR

Bills and a resolution on today's Calendar are taken up and disposed of, as follows:

S.B. 1140 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO ALLOW LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE SINGLE-PRIME BIDDING, MULTI-PRIME BIDDING, OR BOTH, FOR CONSTRUCTION PROJECTS OVER FIVE HUNDRED THOUSAND DOLLARS, upon second reading.

On motion of Senator Lee, the Committee Substitute Bill is placed at the end of today's Calendar.

S.B. 1285 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXEMPT THE TRANSPORTATION OF CERTAIN AGRICULTURAL PRODUCTS FROM VARIOUS REQUIREMENTS IN CONFORMITY WITH FEDERAL REGULATIONS AND TO AUTHORIZE THE SOIL AND WATER CONSERVATION COMMISSION TO ADOPT TEMPORARY RULES TO IMPLEMENT THE CONSERVATION RESERVE ENHANCEMENT PROGRAM, upon second reading.

The Committee Substitute bill passes its second (47-0) and third readings and is ordered sent to the House of Representatives.

Upon the appearance of Senator Hoyle in the Chamber. the Chair acknowledges his presence and the leave of absence granted previously is withdrawn.

H.B. 344 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ENHANCE MOTOR VEHICLE OCCUPANT RESTRAINT SAFETY, upon second reading.

Senator Winner offers Amendment No. 1 which is adopted (42-6).

The Senate Committee Substitute bill No. 2, as amended, passes its second (47-2) and third readings and is ordered engrossed and sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill No. 2.

H.J.R. 1765, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF GUS NICKOLAS ECONOMOS, FORMER MEMBER OF THE GENERAL ASSEMBLY, upon second reading.

Upon motion of Senator Odom, the joint resolution 1765 is read in its entirety.

The joint resolution passes its second reading (47-0) and third reading, with members standing, and is ordered enrolled.

H.B. 534 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW INCOME WITHHOLDING TO ENFORCE SUPPORT ORDERS, AND THE AWARDING OF ALIMONY, AS RECOMMENDED BY THE FAMILY LAW SECTION OF THE NORTH CAROLINA BAR ASSOCIATION, upon third reading.

The Senate Committee Substitute bill passes its third reading (44-5) and is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

S.B. 138 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ALLOW AN ALTERNATIVE PROCEDURE FOR DISSOLUTION OF A SANITARY DISTRICT THAT HAS NO INDEBTEDNESS AND THE TERRITORY OF WHICH HAS BEEN ENTIRELY ANNEXED, for concurrence in House Committee Substitute bill No. 2, upon third reading.

The Senate concurs in the House Committee Substitute bill No. 2 (48-0) and the measure is ordered enrolled and sent to the Governor.

PERSONAL PRIVILEGE

Without objection, the Chair orders the remarks of Senator Phillips who rises to a point of personal privilege to honor Bob Timberlake spread upon the Journal as follows:

"Thank you sir. Ladies and Gentlemen of the Senate, I know you've noticed and you may have had a chance to look at, I have placed today on your desk a newspaper article that you would recognize I'm sure. It's this one that has to do with Bob Timberlake. Bob Timberlake is from Lexington, North Carolina, my hometown. Bob was recently selected by the North Carolina Press Association as the North Carolinian of the year. And I'm like you, exactly like you, I want to show my pride and my appreciation for this man. I have known Bob, I guess since his fifteenth year on this earth when he was dating his wife Kay, who is now his wife Kay. He was a fine young man then and he's a fine middle aged man now. In Lexington we're grateful for Bob Timberlake, not just because he is a successful entrepreneur but because of the human being that he is. I find him to be exactly as he was as a fifteen year old as far as being caring, considerate and kind to those

around him. And I'm grateful for him. You may recognize him as a talented artist who produces artwork that brings joy to all of us. Some of you may recognize him as a furniture designer who not only brings quality into your homes but brings jobs to our community by the people that are employed by making these products. Some of you may even recognize him as a designer. I recently had an opportunity to visit a textile plant. They were producing sheets, pillowcases, and comforters that were his design. There was beauty and there was quality. I want to say to you that this man, by receiving this honor joins a select company, the Reverend Billy Graham, Libby Dole, Meadowlark Lemon and also this man has had a chance to stand before many. He has been a visitor in the White House for the last four or five Presidents. He stood before the Prince. But one thing we all appreciate and love about him is that he still prefers calling North Carolina home and especially Lexington. I am grateful to him for his contribution to our community, to our State. You may recognize also his efforts on behalf of Ironeyes Cody and Keep America Beautiful. You may also recognize him for his contribution to the Cancer Program at Duke. I recognize him for his many contributions in our community, but most of all for his kindness and his respect for the people in our community. And I ask you at this time if you would also recognize the qualities that he contributes to this State and our Nation, and I thank you for your reading and for your listening to me. Thank you."

CALENDAR *(Continued)*

S.B. 1140 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO ALLOW LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE SINGLE-PRIME BIDDING, MULTI-PRIME BIDDING, OR BOTH, FOR CONSTRUCTION PROJECTS OVER FIVE HUNDRED THOUSAND DOLLARS, placed earlier today at the end of today's Calendar, upon second reading.

On motion of Senator Lee, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for tomorrow, Thursday, August 20.

REPORT OF COMMITTEE

A standing committee report is submitted out of the regular order of business, a bill is read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Shaw of Cumberland for the **Transportation Committee**:

H.B. 1474 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE MOTOR VEHICLE LAWS TO CONFORM WITH FEDERAL LAW AND TO MAKE TECHNICAL AND OTHER CHANGES, with an unfavorable report as to Senate Committee Substitute bill, but favorable as to Senate Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill No. 2, 6468 is adopted and engrossed.

On motion of Senator Basnight, seconded by Senator Jenkins, the Senate adjourns at 2:07 P.M. to meet tomorrow, Thursday, August 20, at 11:30 A.M.

ONE HUNDRED EIGHTY-THIRD DAY

Senate Chamber
Thursday, August 20, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Marc Basnight, President *Pro Tempore*, who presides in the absence of the Lt. Governor.

Prayer is offered by the Reverend Tom Wagoner, Central Baptist Church, Dunn, North Carolina, as follows:

"Heavenly Father, thank You for Your love for us and for the sacrifice that You made by sending Your Son to die for us. Thank You for the wonderful day, I will never forget it, when I gave You my heart. Give wisdom and guidance to these and all State leaders. May they represent well both You and their constituents. Thank You Lord for the privilege of being here. In Your Name, Amen."

With unanimous consent, the President *Pro Tempore* grants leaves of absence for today to Senator Dalton and Senator East.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Wednesday, August 19, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President *Pro Tempore* of the Senate extends courtesies of the floor to Dr. John Rowland Mangum from Sanford, North Carolina, who is serving the Senate as Doctor of the Day, and to Anne Newman, Associate Professor, UNC-Charlotte from Charlotte, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 138, AN ACT TO ALLOW AN ALTERNATIVE PROCEDURE FOR DISSOLUTION OF A SANITARY DISTRICT THAT HAS NO INDEBTEDNESS AND THE TERRITORY OF WHICH HAS BEEN ENTIRELY ANNEXED.

S.B. 1556, AN ACT TO EXTEND TAX-EXEMPT FINANCING UNDER THE HIGHER EDUCATION FACILITIES FINANCE ACT TO PRIVATE ELEMENTARY AND SECONDARY SCHOOL FACILITIES.

H.B. 1356, AN ACT TO FACILITATE ELECTRONIC COMMERCE WITH AND BY PUBLIC AGENCIES OF THE STATE OF NORTH CAROLINA BY RECOGNIZING THE VALIDITY OF ELECTRONIC SIGNATURES AND BY AUTHORIZING THE SECRETARY OF STATE TO REGULATE ELECTRONIC SIGNATURES AND CERTIFICATION AUTHORITIES.

The Enrolling Clerk reports the following bill and resolution duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.J.R. 1765, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF GUS NICKOLAS ECONOMOS, FORMER MEMBER OF THE GENERAL ASSEMBLY. (Res. 44)

H.B. 1568, AN ACT TO AUTHORIZE THE TOWN OF ST. PAULS TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX AND TO AUTHORIZE THE CITY OF STATESVILLE TO LEVY AN ADDITIONAL ROOM OCCUPANCY TAX TO FUND TOURISM PROMOTION AND OPERATING EXPENSES OF A CIVIC CENTER.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

S.B. 1422, AN ACT TO EXTEND AND IMPROVE THE CABARRUS COUNTY WORK OVER WELFARE PROGRAM. (Became law upon ratification, August 19, 1998 - S.L. 1998-106.)

H.B. 894, AN ACT TO PROVIDE FOUR-YEAR TERMS FOR THE MAYOR AND COUNCIL OF THE TOWN OF STONEVILLE. (Became law upon ratification, August 19, 1998 - S.L. 1998-107.)

H.B. 1546, AN ACT TO AUTHORIZE CERTAIN MUNICIPALITIES TO CHARGE A FEE NOT TO EXCEED FIVE DOLLARS FOR UNCERTIFIED COPIES OF POLICE INCIDENT OR ACCIDENT REPORTS AND TO AUTHORIZE THE CITY TO GIVE ANNUAL NOTICE OF VIOLATION TO CHRONIC VIOLATORS OF THE CITY'S OVERGROWN VEGETATION ORDINANCE. (Became law upon ratification, August 19, 1998 - S.L. 1998-108.)

H.B. 1625, AN ACT TO PROVIDE THAT THE CHAIR OF THE HALIFAX TOURISM DEVELOPMENT AUTHORITY SHALL BE ELECTED BY THE MEMBERS OF THE AUTHORITY. (Became law upon ratification, August 19, 1998 - S.L. 1998-109.)

REPORTS OF COMMITTEES

A bill is reported from a standing committee, read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Lee for the **Education/Higher Education Committee**.

H.B. 1478, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE LEGISLATIVE STUDY COMMISSION ON PUBLIC SCHOOLS TO ENCOURAGE LOCAL BOARDS OF EDUCATION TO PROVIDE YEAR-ROUND SCHOOLS, with an unfavorable report as to bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 3179, which changes the title, upon concurrence, to read **H.B. 1478** (Senate Committee Substitute), A

BILL TO BE ENTITLED AN ACT TO DIRECT THE DEPARTMENT OF PUBLIC INSTRUCTION TO STUDY AND MAKE RECOMMENDATIONS REGARDING THE REMOVAL OF THE BARRIERS THAT PREVENT LOCAL BOARDS OF EDUCATION FROM PROVIDING YEAR-ROUND SCHOOLS, is adopted and engrossed.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

A Message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1489 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPROVE COLLECTION OF LOCAL TAXES BY ALLOWING CERTAIN GOVERNMENT OFFICIALS TO SHARE SPECIFIED TAX INFORMATION AND BY ALLOWING A TAXPAYER TO RECEIVE A RELEASE OR REFUND OF PRORATED VEHICLE PROPERTY TAXES IF THE TAXPAYER MOVES OUT-OF-STATE.

Referred to **Finance Committee**.

SPECIAL MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.B. 1529 House of Representatives
August 19, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House fails to concur in the Senate Committee Substitute #2 for HB 1529, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT, and requests conferees. The Speaker has appointed:

Representative Brown, Chair;
Representative Alexander,
Representative Dickson,
Representative Hill,
Representative Howard, and
Representative Weatherly

on the part of the House to confer with a like committee appointed by the Senate to the end that the differences arising may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

The following special message is received from the House of Representatives:

H.B. 72 House of Representatives
August 19, 1998

Mr. President:

Pursuant to your message that you have adopted the report of the Conferees for HB 72, A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF OAK RIDGE, SUBJECT TO A REFERENDUM, it is ordered that a message be sent your Honorable Body with the information that the House has adopted the report of the Conferees and the bill is ordered enrolled.

Respectfully,
S/Denise Weeks
PRINCIPAL CLERK

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1360 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW AND TO PROVIDE THAT A MAJORITY OF MEMBERS OF THE ALAMANCE-BURLINGTON BOARD OF EDUCATION SHALL BE ELECTED IN 1998, for concurrence in the House Committee Substitute bill.

With unanimous consent, on motion of Senator Plyler, the House Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, August 26.

S.B. 1140 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO ALLOW LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE SINGLE-PRIME BIDDING, MULTI-PRIME BIDDING, OR BOTH, FOR CONSTRUCTION PROJECTS OVER FIVE HUNDRED THOUSAND DOLLARS, upon second reading.

With unanimous consent, on motion of Senator Lee, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, August 26, for consideration upon its passage.

H.B. 1474 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE MOTOR VEHICLE LAWS TO CONFORM WITH FEDERAL LAW AND TO MAKE TECHNICAL AND OTHER CHANGES, upon second reading.

The Senate Committee Substitute bill No. 2 passes its second reading (46-1).

Senator Rand objects to third reading of the measure. Pursuant to Rule 50, the President *Pro Tempore* orders the measure placed on the Calendar for Monday, August 24, upon third reading.

REPORT OF COMMITTEE

A standing committee report is submitted out of the regular order of business, bills are read by their titles, together with the report accompanying them, and take their place on

the Calendar, as follows:

By Senator Kerr for the **Finance Committee**:

H.B. 1617 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO EXTEND THE INCOME TAX CREDIT FOR POULTRY COMPOSTING FACILITIES TO CORPORATE ENTITIES AND TO REMOVE THE SUNSET FOR THE INDIVIDUAL INCOME TAX CREDIT, with a favorable report.

H.B. 55 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT SPECIAL PURPLE HEART AWARD REGISTRATION PLATES SHALL BE ISSUED WITHOUT AN ADDITIONAL FEE, TO PROVIDE THAT SURVIVING SPOUSES OF PURPLE HEART PLATEHOLDERS MAY CONTINUE TO BE ISSUED THOSE PLATES, AND TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO DEVELOP A SPECIAL MOTOR VEHICLE PLATE FOR RECIPIENTS OF THE SILVER STAR, with an unfavorable report as to Committee Substitute bill No. 2, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 2418, which changes the title, upon concurrence, to read **H.B. 55** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE FEE FOR PURPLE HEART REGISTRATION PLATES, TO REQUIRE THE DIVISION OF MOTOR VEHICLES TO REDESIGN THE PURPLE HEART PLATE, AND TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A SPECIAL REGISTRATION PLATE TO A RECIPIENT OF THE SILVER STAR AND TO A RECIPIENT OF THE BRONZE STAR, is adopted and engrossed.

H.B. 1248 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO EXEMPT FROM INCOME TAX FEDERAL PAYMENTS TO TOBACCO ALLOTMENT HOLDERS, TOBACCO WORKERS, TOBACCO WAREHOUSE OWNERS, AND TOBACCO FARMERS AS COMPENSATION FOR LOSSES DUE TO FEDERAL LEGISLATION, with an unfavorable report as to Committee Substitute bill No. 2, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill, 9021, which changes the title, upon concurrence, to read **H.B. 1248** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROTECT NORTH CAROLINA CITIZENS FROM LOSSES DUE TO FEDERAL TOBACCO LEGISLATION OR TOBACCO LITIGATION AND TO PROVIDE THAT FUNDS RECEIVED DUE TO SETTLEMENTS AND RELATED CONGRESSIONAL LEGISLATION SHALL BE SPENT ONLY PURSUANT TO APPROPRIATION BY THE GENERAL ASSEMBLY, is adopted and engrossed.

ENROLLED BILLS

The Enrolling Clerk reports the following bill duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.B. 72, AN ACT TO INCORPORATE THE TOWN OF OAK RIDGE, SUBJECT TO A REFERENDUM.

Senator Basnight, President Pro Tempore, relinquishes the gavel to the President of

the Senate, Lieutenant Governor Wicker, who presides.

PERSONAL PRIVILEGE

For the record, Senator Lucas rises for a point of personal privilege as follows:

"Mr. President, I would like to commend you on your leadership. And I want to thank you for the position that you've taken today. All too often when you preside, we don't stand up and congratulate you and I know you don't want accolades, but I do think there are
times when we need to applaud your position and the principle on which you take a stand. I just want to go on record as saying, thank you."

On motion of Senator Basnight, seconded by Senator Lucas, the Senate adjourns at 12:30 P.M. to meet Monday, August 24, at 7:00 P.M.

ONE HUNDRED EIGHTY-FOURTH DAY

Senate Chamber
Monday, August 24, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, the two teams eyed the clear cup sitting on the table in front of them. It contained water to the mid-point of the cup.

"Then the debate began! Was it half full or half empty? After an hour of spirited, articulate argument no team had a clear advantage.

"From the audience, an old woman walked up to the table. Incredulously, the debate captains looked at her and asked, 'Well what do you have to offer? Is it half full or half empty?'

"The old woman quietly replied, 'It depends on whether you're drinking or pouring.' Then she sat down. It's an old story worth retelling. Though she hadn't solved the debate, she had offered something more important -perspective.

"Around the table of debate this week in our lives, give us knowledge, conviction and mutual perspective. Then our cup will surely overflow with Your grace. Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator Allran, Senator Ballance, Senator Hartsell, Senator Martin of Pitt, and Senator Winner.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, August 20, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Wesley Gordon Schooler from Durham, North Carolina, who is serving the Senate as Doctor of the Day,

and to Kathryn D'Andrea-Knipe from Cornelius, North Carolina who is serving the Senate as Nurse of the Day.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 1269, AN ACT TO EXTEND BY ONE YEAR THE DATE BY WHICH WELL CONTRACTORS MUST BE CERTIFIED UNDER THE NORTH CAROLINA WELL CONTRACTORS CERTIFICATION ACT AND TO EXTEND THE TIME FOR THE ADOPTION OF RULES BY THE WELL CONTRACTORS CERTIFICATION COMMISSION, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1591, AN ACT REQUIRING THE CONSENT OF CARTERET, CHATHAM, JONES, AND ORANGE COUNTIES BEFORE LAND IN THOSE COUNTIES MAY BE CONDEMNED OR ACQUIRED BY A UNIT OF LOCAL GOVERNMENT OUTSIDE THOSE COUNTIES. (Became law upon approval of the Governor, August 20, 1998 - S.L. 1998-110.)

H.B. 1369, AN ACT TO CLARIFY COMMUNITY COLLEGES' AUTHORITY TO ENTER INTO LEASE PURCHASE AND INSTALLMENT PURCHASE CONTRACTS FOR EQUIPMENT. (Became law upon approval of the Governor, August 20, 1998 - S.L. 1998-111.)

H.B. 1568, AN ACT TO AUTHORIZE THE TOWN OF ST. PAULS TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX AND TO AUTHORIZE THE CITY OF STATESVILLE TO LEVY AN ADDITIONAL ROOM OCCUPANCY TAX TO FUND TOURISM PROMOTION AND OPERATING EXPENSES OF A CIVIC CENTER. (Became law upon ratification, August 20, 1998 - S.L. 1998-112.)

H.B. 72, AN ACT TO INCORPORATE THE TOWN OF OAK RIDGE, SUBJECT TO A REFERENDUM. (Became law upon ratification, August 20, 1998 - S.L. 1998-113.)

S.B. 1351, AN ACT AUTHORIZING THE DELETION OF LAND AT WAYNESBOROUGH STATE PARK FROM THE STATE PARKS SYSTEM AND ITS SALE TO THE CITY OF GOLDSBORO. (Became law upon approval of the Governor, August 24, 1998 - S.L. 1998-114.)

REPORT OF COMMITTEE

A bill is reported from a standing committee, read by its title, together with the report

accompanying it, and takes its place on the Calendar, as follows:

By Senator Lee for the **Education/Higher Education Committee**:

H.B. 1477 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE LEGISLATIVE COMMISSION ON PUBLIC SCHOOLS TO MAKE CHANGES IN LAWS, POLICIES, AND ADMINISTRATION TO IMPROVE THE QUALITY OF EDUCATION AND SAFETY IN THE STATE RESIDENTIAL SCHOOLS, TO IMPLEMENT THE ABC'S PROGRAM IN THE RESIDENTIAL SCHOOLS, TO AUTHORIZE STUDIES OF ISSUES OF CONCERN TO BLIND AND DEAF STUDENTS, TO REQUIRE AN AUDIT OF THE DIVISION OF SERVICES FOR THE DEAF AND HARD OF HEARING, TO REQUIRE THE DEVELOPMENT OF A THREE-YEAR PLAN TO ADDRESS THE CAPITAL NEEDS OF THE GOVERNOR MOREHEAD SCHOOL AND THE THREE STATE SCHOOLS FOR THE DEAF, AND TO MAKE APPROPRIATIONS TO IMPLEMENT THIS ACT, with an unfavorable report as to Committee Substitute bill No. 2, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 1613, which changes the title, upon concurrence, to read **H.B. 1477** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE LEGISLATIVE COMMISSION ON PUBLIC SCHOOLS TO MAKE CHANGES IN LAWS, POLICIES, AND ADMINISTRATION TO IMPROVE THE QUALITY OF EDUCATION AND SAFETY IN THE STATE RESIDENTIAL SCHOOLS, TO IMPLEMENT THE ABC'S PROGRAM IN THE RESIDENTIAL SCHOOLS, TO AUTHORIZE STUDIES OF ISSUES OF CONCERN TO BLIND AND DEAF STUDENTS, TO REQUIRE AN AUDIT OF THE DIVISION OF SERVICES FOR THE DEAF AND HARD OF HEARING, AND TO REQUIRE THE DEVELOPMENT OF A THREE-YEAR PLAN TO ADDRESS THE CAPITAL NEEDS OF THE GOVERNOR MOREHEAD SCHOOL AND THE THREE STATE SCHOOLS FOR THE DEAF, is adopted and engrossed.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1613 (Committee Substitute), A BILL TO BE ENTITLED AN ACT ABOLISHING THE OFFICE OF CORONER IN MARTIN AND ROCKINGHAM COUNTIES.

Referred to **State Government, Local Government, and Personnel Committee**.

EXECUTIVE ORDER

An Executive Order received in the Office of the Senate Principal Clerk is presented to the Senate and read as follows:

Executive Order Number 137, amending Executive Order Number 84, North Carolina Home Furnishings Export Council.

CALENDAR

Bills on tonight's Calendar are taken up and disposed of, as follows:

H.B. 1474 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE MOTOR VEHICLE LAWS TO CONFORM WITH FEDERAL LAW AND TO MAKE TECHNICAL AND OTHER CHANGES, upon third reading.

With unanimous consent, on motion of Senator Rand, the Senate Committee Substitute bill No. 2 is withdrawn from tonight's Calendar and is placed on the Calendar for Wednesday, August 26, upon third reading.

H.B. 1248 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROTECT NORTH CAROLINA CITIZENS FROM LOSSES DUE TO FEDERAL TOBACCO LEGISLATION OR TOBACCO LITIGATION AND TO PROVIDE THAT FUNDS RECEIVED DUE TO SETTLEMENTS AND RELATED CONGRESSIONAL LEGISLATION SHALL BE SPENT ONLY PURSUANT TO APPROPRIATION BY THE GENERAL ASSEMBLY, upon second reading.

With unanimous consent, on motion of Senator Kerr, the Senate Committee Substitute bill is withdrawn from tonight's Calendar and is placed on the Calendar for Wednesday, August 26, upon second reading.

H.B. 55 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE FEE FOR PURPLE HEART REGISTRATION PLATES, TO REQUIRE THE DIVISION OF MOTOR VEHICLES TO REDESIGN THE PURPLE HEART PLATE, AND TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A SPECIAL REGISTRATION PLATE TO A RECIPIENT OF THE SILVER STAR AND TO A RECIPIENT OF THE BRONZE STAR, upon second reading.

The Senate Committee Substitute bill passes its second (44-0) and third readings and is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 1478 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DIRECT THE DEPARTMENT OF PUBLIC INSTRUCTION TO STUDY AND MAKE RECOMMENDATIONS REGARDING THE REMOVAL OF THE BARRIERS THAT PREVENT LOCAL BOARDS OF EDUCATION FROM PROVIDING YEAR-ROUND SCHOOLS, upon second reading.

The Senate Committee Substitute bill passes its second (44-0) and third readings and is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 1617 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO EXTEND THE INCOME TAX CREDIT FOR POULTRY COMPOSTING FACILITIES TO CORPORATE ENTITIES AND TO REMOVE THE SUNSET FOR THE INDIVIDUAL INCOME TAX CREDIT, upon second reading.

Senator Albertson offers Amendment No. 1 which is adopted (44-0).

The Committee Substitute bill No. 2, as amended, passes its second (44-0) and third readings and is ordered sent to the House of Representatives, for concurrence in Senate Amendment No. 1.

The President recognizes the following pages serving in the Senate this week:

Douglas Tyler Barefoot, Dunn; Erik Battle, Yanceyville; Nerina Burton, Raleigh; Rebekah Ann-Marie Dixon, Greenville; Mindie Do, Raleigh; Chad Essick, Raleigh; Lindsay Harris, Clayton; Patrick McKittrick, Raleigh; Maria Morales, Garner; Obi Oraefo, Raleigh; Tiara Parker, Greenville; Brandy Perry, Wendell; Mary Cameron Rudkin, Raleigh; Katharine Vess, Pinehurst; and Catherine Terrell Williamson, Louisburg.

On motion of Senator Basnight, seconded by Senator Ballantine, the Senate adjourns at 7:28 P.M. to meet tomorrow, Tuesday, August 25, at 1:00 P.M.

ONE HUNDRED EIGHTY-FIFTH DAY

Senate Chamber
Tuesday, August 25, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Marc Basnight, President *Pro Tempore*, who presides in the absence of the Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Almighty God, the Apostle Paul admonished his friends in Galatia, 'Let us not be weary in well-doing.' Sometimes when we are trying to do what is right we get more criticism than when we aren't so careful! It doesn't help either to see people who use questionable ethics prevail! Help us to follow Paul's admonition anyway, for in due time we expect to reap what we have sown.

"Oh God, we have learned of the changing path and powerful advance of Hurricane Bonnie toward our coast. We pray resolutely that You hear and answer our prayer. Protect all people, Your children, from harm. Amen."

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Monday, August 24, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Michael Joseph McMahon from Chapel Hill, North Carolina, who is serving the Senate as Doctor of the Day, and to Maureen Darcey from Graham, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Secretary of State:

S.B. 1273, AN ACT TO CONFORM TO GENERAL LAW THE MANNER OF APPOINTMENT OF THE TOWN ATTORNEY OF KERNERSVILLE.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

A message and a special message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill and a resolution are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1171 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODIFY BUILDING FOUNDATION SETBACK REQUIREMENTS AND TO ESTABLISH MONITORING REQUIREMENTS FOR WATER SUPPLY WELLS SERVING INSTITUTIONS AND FACILITIES, for concurrence in the House Committee Substitute bill, which is placed on the Calendar for tomorrow, Wednesday,August 26.

H.J.R. 1761, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF JEFF HAILEN ENLOE, JR., FORMER MEMBER OF THE GENERAL ASSEMBLY, which is placed on the Calendar for Monday, August 31.

Senator Basnight, President Pro Tempore, relinquishes the gavel to the Deputy President Pro Tempore, Senator Ballance, who presides in the absence of the Lieutenant Governor.

With unanimous consent, the Deputy President Pro Tempore grants leaves of absence for the remainder of today's Session to Senator Ballantine and Senator Basnight.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1477 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE LEGISLATIVE COMMISSION ON PUBLIC SCHOOLS TO MAKE CHANGES IN LAWS, POLICIES, AND ADMINISTRATION TO IMPROVE THE QUALITY OF EDUCATION AND SAFETY IN THE STATE RESIDENTIAL SCHOOLS, TO IMPLEMENT THE ABC'S PROGRAM IN THE RESIDENTIAL SCHOOLS, TO AUTHORIZE STUDIES OF ISSUES OF CONCERN TO BLIND AND DEAF STUDENTS, TO REQUIRE AN AUDIT OF THE DIVISION OF SERVICES FOR THE DEAF AND HARD OF HEARING, AND TO REQUIRE THE DEVELOPMENT OF A THREE-YEAR PLAN TO ADDRESS THE CAPITAL NEEDS OF THE GOVERNOR MOREHEAD SCHOOL AND THE THREE STATE SCHOOLS FOR THE DEAF, upon second reading.

Senator Lee offers Amendment No. 1 which is adopted (44-0).

The Senate Committee Substitute bill, as amended, passes its second (45-0) and third readings and is ordered engrossed and sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

S.B. 1277 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE RULES OF CIVIL PROCEDURE, AND TO CLARIFY THE PUBLIC DUTY DOCTRINE AND THE TORT CLAIMS ACT, upon third reading.

With unanimous consent, on motion of Senator Dalton, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Thursday, August 27, upon third reading.

On motion of Senator Rand, seconded by Senator Soles, the Senate adjourns at 1:44 P.M. to meet tomorrow, Wednesday, August 26, at 11:00 A.M.

ONE HUNDRED EIGHTY-SIXTH DAY

Senate Chamber
Wednesday, August 26, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Honorable Howard N. Lee, Senator from Orange County, as follows:

"Lord of strength and compassion, the shadow that is cast by a mountain often appears larger than the mountain itself. Many times we see the shadow and become discouraged, thinking the ability to climb the mountain is beyond our capabilities. In short, its shakes us up. But the funny thing about shadows is that when the angle of the light changes, so does the size of the shadow.

"Lord, as we tackle the work that lies ahead, help us to look to You for guidance and perspective. The light You shed doesn't cast shadows. Instead the light You shed brings into sharp focus the hazards along the road that leads to the mountain top. Help us keep our eyes on Your light which becomes a beacon to guide us to the top of the real mountain of life. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Webster and Senator Weinstein.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Tuesday, August 25, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

H.B. 1094, AN ACT TO REPEAL OBSOLETE OR PREEMPTED PROVISIONS OF THE GENERAL STATUTES AFFECTING RAILROADS, TO RECODIFY CERTAIN RAILROAD STATUTES, AND TO MAKE CONFORMING CHANGES AND CLARIFYING CHANGES.

CHAPTERED BILL

The Enrolling Clerk reports the following bill properly enrolled, assigned the following Chapter Number, and presented to the Office of the Secretary of State:

S.B. 1273, AN ACT TO CONFORM TO GENERAL LAW THE MANNER OF APPOINTMENT OF THE TOWN ATTORNEY OF KERNERSVILLE. (Became law upon ratification, August 25, 1998 - S.L. 1998-115.)

REPORT OF COMMITTEE

A bill is reported from a standing committee, read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Cooper for the **Judiciary Committee**:

S.B. 763, A BILL TO BE ENTITLED AN ACT TO CREATE THE CRIME VICTIMS RIGHTS ACT, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 8853, which changes the title to read **S.B. 763** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CREATE THE CRIME VICTIMS' RIGHTS ACT, TO ASSIST VICTIMS OF DOMESTIC VIOLENCE, TO ALLOW THE ENFORCEMENT OF ORDERS FOR RESTITUTION IN CRIMINAL CASES IN THE SAME MANNER AS CIVIL JUDGMENTS, TO CREATE AN EXCEPTION TO THE STATUTORY EXEMPTIONS FOR EXECUTION OF RESTITUTION JUDGMENTS, TO CHANGE THE ORDER OF PRIORITY FOR DISBURSEMENT OF FUNDS IN CRIMINAL CASES, AND TO MAKE CHANGES TO THE CRIME VICTIMS COMPENSATION ACT, is adopted and engrossed.

SPECIAL MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.B. 534 House of Representatives
August 25, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House fails to concur in the Senate Committee Substitute for HB 534, A BILL TO BE ENTITLED AN ACT REGARDING THE CONTRACTUAL OBLIGATIONS OF SPOUSES, THE TRANSFER OF PROPERTY AND INCOME WITHHOLDING TO ENFORCE SUPPORT ORDERS, AND THE AWARDING OF ALIMONY, AS RECOMMENDED BY THE FAMILY LAW SECTION OF THE NORTH CAROLINA BAR ASSOCIATION, and requests conferees. The Speaker has appointed:

Representative Neely, Chair;
Representative Hackney,
Representative Culpepper
Representative Gardner, and
Representative Cansler

on the part of the House to confer with a like committee appointed by the Senate to the end that the differences arising may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

The following special message is received from the House of Representatives:

H.B. 1371

House of Representatives
August 25, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House fails to concur in the Senate Committee Substitute for HB 1371, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO INCREASE PURCHASING FLEXIBILITY FOR ALL PUBLIC SCHOOLS.

Respectfully,
S/Denise G. Weeks
Principal Clerk

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1248 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROTECT NORTH CAROLINA CITIZENS FROM LOSSES DUE TO FEDERAL TOBACCO LEGISLATION OR TOBACCO LITIGATION AND TO PROVIDE THAT FUNDS RECEIVED DUE TO SETTLEMENTS AND RELATED CONGRESSIONAL LEGISLATION SHALL BE SPENT ONLY PURSUANT TO APPROPRIATION BY THE GENERAL ASSEMBLY, upon second reading.

With unanimous consent, on motion of Senator Kerr, the Senate Committee Substitute bill is withdrawn from today's Calendar and is re-referred to the **Finance Committee**.

WITHDRAWAL FROM CALENDAR

S.B. 1277 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE RULES OF CIVIL PROCEDURE, AND TO CLARIFY THE PUBLIC DUTY DOCTRINE AND THE TORT CLAIMS ACT.

Senator Dalton offers a motion that the Committee Substitute bill be withdrawn from the Calendar for Thursday, August 27, and placed on the Calendar for Wednesday, September 2, which motion prevails with unanimous consent.

The Chair orders the Committee Substitute bill withdrawn from the Calendar for Thursday, August 27, and places it on the Calendar for Wednesday, September 2.

CALENDAR *(Continued)*

S.B. 1360 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW AND TO PROVIDE THAT A MAJORITY OF MEMBERS OF THE ALAMANCE-BURLINGTON BOARD OF EDUCATION SHALL BE ELECTED IN 1998, for concurrence in the House Committee Substitute bill.

With unanimous consent, on motion of Senator Plyler, the House Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, September 2, for concurrence in the House Committee Substitute bill.

S.B. 1140 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO ALLOW LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE SINGLE-PRIME BIDDING, MULTI-PRIME BIDDING, OR BOTH, FOR CONSTRUCTION PROJECTS OVER FIVE HUNDRED THOUSAND DOLLARS, upon second reading.

With unanimous consent, on motion of Senator Rand, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, September 1, upon second reading.

H.B. 1474 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE MOTOR VEHICLE LAWS TO CONFORM WITH FEDERAL LAW AND TO MAKE TECHNICAL AND OTHER CHANGES, upon third reading.

With unanimous consent, on motion of Senator Rand, the Senate Committee Substitute bill No. 2 is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, September 1, upon third reading.

S.B. 1171 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODIFY BUILDING FOUNDATION SETBACK REQUIREMENTS AND TO ESTABLISH MONITORING REQUIREMENTS FOR WATER SUPPLY WELLS SERVING INSTITUTIONS AND FACILITIES, for concurrence in the House Committee Substitute bill.

With unanimous consent, on motion of Senator Rand, the House Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, September 1, for concurrence in the House Committee Substitute bill.

CONFERENCE REPORT

S.B. 78 (House Committee Substitute)

Senator Ballance for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **S.B. 78** (House Committee Substitute), A BILL TO BE ENTITLED AN ACT AMENDING THE STATE PERSONNEL ACT TO ESTABLISH JURISDICTION FOR THE HEARING OF STATE EMPLOYEE SEXUAL HARASSMENT GRIEVANCES BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS AND THE STATE PERSONNEL COMMISSION, submits for adoption the following report, which proposes to further change the title, upon adoption, to read **S.B. 78** (Conference Committee Substitute), A BILL TO BE ENTITLED AN ACT AMENDING THE STATE PERSONNEL ACT TO ESTABLISH

JURISDICTION FOR THE HEARING OF STATE EMPLOYEE WORKPLACE HARASSMENT GRIEVANCES BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS AND THE STATE PERSONNEL COMMISSION:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 78, 3rd Edition, House Committee Substitute Favorable 6/17/98, submit the following report:

The Senate and House agree to the following amendment to the House Committee Substitute, House Committee Substitute Favorable 6/17/98, and the Senate concurs in the House Committee Substitute as amended: Delete the entire House Committee Substitute and substitute the attached Proposed Conference Committee Substitute S78-PCCS2910-LR6, "A BILL TO BE ENTITLED AN ACT AMENDING THE STATE PERSONNEL ACT TO ESTABLISH JURISDICTION FOR THE HEARING OF STATE EMPLOYEE WORKPLACE HARASSMENT GRIEVANCES BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS AND THE STATE PERSONNEL COMMISSION."

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: August 19th, 1998.

S/Frank W. Ballance, Jr.	S/Leo Daughtry
S/Leslie Winner	S/Edwin M. Hardy
S/Eleanor Kinnaird	S/Theresa H. Esposito
S/Bev Perdue	S/Debbie Clary
S/Mark McDaniel	S/James W. Crawford, Jr.
Conferees for the Senate	*Conferees for the House of Representatives*

The text of the attached proposed Conference Committee Substitute 2910 is as follows:

A BILL TO BE ENTITLED

AN ACT AMENDING THE STATE PERSONNEL ACT TO ESTABLISH JURISDICTION FOR THE HEARING OF STATE EMPLOYEE WORKPLACE HARASSMENT GRIEVANCES BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS AND THE STATE PERSONNEL COMMISSION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 126-4(11) reads as rewritten:

"(11) In cases where the Commission finds ~~discrimination~~ discrimination, harassment, or orders reinstatement or back pay whether (i) heard by the Commission or (ii) appealed for limited review after settlement or (iii) resolved at the agency level, the assessment of reasonable attorneys' fees and witnesses' fees against the State agency involved."

Section 2. G.S. 126-34 reads as rewritten:

"**§ 126-34. Grievance appeal for career State employees.**

Unless otherwise provided in this Chapter, ~~Any~~ any career State employee having a grievance arising out of or due to ~~his~~ the employee's employment and who does not allege unlawful harassment or discrimination because of ~~his~~ the employee's age, sex, race, color, national origin, religion, creed, handicapping condition as defined by G.S. 168A-3, or political affiliation shall first discuss ~~his~~ the problem or grievance with ~~his~~ the employee's supervisor and follow the grievance procedure established by ~~his~~ the employee's department or agency. Any State employee having a grievance arising out of or due to the employee's employment who alleges unlawful harassment because of the employee's age, sex, race, color, national origin, religion, creed, or handicapping condition as defined by G.S. 168A-3 shall submit a written complaint to the employee's department or agency. The department or agency shall have 60 days within which to take appropriate remedial action. If the employee is not satisfied with the department or agency's response to the complaint, the employee shall have the right to appeal directly to the State Personnel Commission."

Section 3. G.S. 126-34.1(a) is amended by adding a new subdivision to read:

"(10) Harassment in the workplace based upon age, sex, race, color, national origin, religion, creed, or handicapping condition, whether the harassment is based upon the creation of a hostile work environment or upon a quid pro quo."

Section 4. G.S. 126-36 reads as rewritten:

"**§ 126-36. Appeal of unlawful State employment practice.**

(a) Any State employee or former State employee who has reason to believe that employment, promotion, training, or transfer was denied ~~him~~ the employee or that demotion, ~~layoff~~ layoff, transfer, or termination of employment was forced upon ~~him~~ the employee in retaliation for opposition to alleged discrimination or because of ~~his~~ the employee's age, sex, race, color, national origin, religion, creed, political affiliation, or ~~handicapped~~ handicapping condition as defined by G.S. 168A-3 except where specific age, sex or physical requirements constitute a bona fide occupational qualification necessary to proper and efficient administration, shall have the right to appeal directly to the State Personnel Commission.

(b) Subject to the requirements of G.S. 126-34, any State employee or former State employee who has reason to believe that the employee has been subjected to any of the following shall have the right to appeal directly to the State Personnel Commission:

(1) Harassment in the workplace based upon age, sex, race, color, national origin, religion, creed, or handicapping condition, whether the harassment is based upon the creation of a hostile work environment or upon a quid pro quo.

(2) Retaliation for opposition to harassment in the workplace based upon age, sex, race, color, national origin, religion, creed, or handicapping condition, whether the harassment is based upon the creation of a hostile work environment or upon a quid pro quo."

Section 5. G.S. 126-37(a) reads as rewritten:

"(a) Appeals involving a disciplinary action, alleged ~~discrimination,~~ discrimination or harassment, and any other contested case arising under this Chapter shall be conducted in the Office of Administrative Hearings as provided in Article 3 of Chapter 150B; provided that no grievance may be appealed unless the employee has complied with G.S. 126-34. The State Personnel Commission shall make a final decision in these cases as provided in G.S. 150B-36, except as provided in subsection

(b1) of this section. The State Personnel Commission is hereby authorized to reinstate any employee to the position from which ~~he~~ the employee has been removed, to order the employment, promotion, transfer, or salary adjustment of any individual to whom it has been wrongfully denied or to direct other suitable action to correct the abuse which may include the requirement of payment for any loss of salary which has resulted from the improperly discriminatory action of the appointing authority."

Section 6. This act becomes effective August 15, 1998, and applies to State employee grievances arising on or after that date and to cases pending on that date in the Office of Administrative Hearings or before the State Personnel Commission or on appeal from a decision of the Commission.

On motion of Senator Ballance, the Conference Report is ordered placed on the Calendar for Tuesday, September 1, for adoption.

WITHDRAWAL FROM CALENDAR

S.B. 763 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CREATE THE CRIME VICTIMS' RIGHTS ACT, TO ASSIST VICTIMS OF DOMESTIC VIOLENCE, TO ALLOW THE ENFORCEMENT OF ORDERS FOR RESTITUTION IN CRIMINAL CASES IN THE SAME MANNER AS CIVIL JUDGMENTS, TO CREATE AN EXCEPTION TO THE STATUTORY EXEMPTIONS FOR EXECUTION OF RESTITUTION JUDGMENTS, TO CHANGE THE ORDER OF PRIORITY FOR DISBURSEMENT OF FUNDS IN CRIMINAL CASES, AND TO MAKE CHANGES TO THE CRIME VICTIMS COMPENSATION ACT.

Senator Cooper offers a motion that the Committee Substitute bill be withdrawn from the Calendar for Thursday, August 27, and re-referred to the **Appropriations Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the Calendar for Thursday, August 27, and re-refers the measure to the **Appropriations Committee**.

COMMITTEE REFERRAL RECALL

S.B. 763 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CREATE THE CRIME VICTIMS' RIGHTS ACT, TO ASSIST VICTIMS OF DOMESTIC VIOLENCE, TO ALLOW THE ENFORCEMENT OF ORDERS FOR RESTITUTION IN CRIMINAL CASES IN THE SAME MANNER AS CIVIL JUDGMENTS, TO CREATE AN EXCEPTION TO THE STATUTORY EXEMPTIONS FOR EXECUTION OF RESTITUTION JUDGMENTS, TO CHANGE THE ORDER OF PRIORITY FOR DISBURSEMENT OF FUNDS IN CRIMINAL CASES, AND TO MAKE CHANGES TO THE CRIME VICTIMS COMPENSATION ACT, referred to the **Appropriations Committee** earlier today, August 26.

Pursuant to Rule 47(a), Senator Odom offers a motion that the bill Committee Substitute be withdrawn from the **Appropriations Committee** and placed on the Calendar for Wednesday, September 2, which motion prevails with unanimous consent.

The Chair orders the Committee Substitute bill withdrawn from the **Appropriations Committee** and places it on the Calendar for Wednesday, September 2.

On motion of Senator Ballance, seconded by Senator Hoyle, the Senate adjourns at 11:17 A.M. to meet tomorrow, Thursday, August 27, at 9:30 A.M.

ONE HUNDRED EIGHTY-SEVENTH DAY

Senate Chamber
Thursday, August 27, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, the eastern part of our State has been hit and hit hard by Hurricane Bonnie and she has not finished yet. But we are grateful that no deaths or serious injuries have occurred in her wake. Thank You for hearing our continued prayers for our citizens' safety.

"Philips Brooks said, 'I do not pray for a lighter load, but for a stronger back.' Sometimes the burdens we bear seem more than we can carry. Give us all stronger backs that we might be able to do the work that is ahead of us in North Carolina.

"When the rains ended, Noah sent out a dove and the dove returned with a green olive leaf. Thank You for the hope we will always have in You. Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Shaw of Guilford.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Wednesday, August 26, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1327 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO ALLOW LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE SINGLE-PRIME BIDDING, MULTI-PRIME BIDDING, OR BOTH, FOR CONSTRUCTION PROJECTS OVER FIVE HUNDRED THOUSAND DOLLARS, which is placed on the Calendar for Tuesday, September 1.

H.B. 1342 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND AND CLARIFY THE RENUNCIATION OF PROPERTY AND RENUNCIATION OF FIDUCIARY POWERS ACT.
Referred to **Commerce Committee**.

On motion of Senator Ballance, seconded by Senator Horton and Senator McDaniel, the Senate adjourns at 9:36 A.M. to meet Monday, August 31, at 7:00 P.M.

ONE HUNDRED EIGHTY-EIGHTH DAY

Senate Chamber
Monday, August 31, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Lord, we have problems with the powers. So many times, modern life has ways of making us feel more like a number than a name. We feel abused by forces over which we have no control, unseen forces that hold us captive. The stock market, the media, time constraints of our work, the employment index, the national mood, what 95 percent of those surveyed believe.

"Grant us, Oh God, to see Your hand in the events of this week. Keep reminding us that we are citizens of Your world, Your kingdom. Keep telling us that the future is in Your hands and that You are working behind the scenes to bring all things unto Yourself.

"The Senate has work to be accomplished this week. In order to get things done, we need You to rule, to rule the daily events here, in our world, and in our lives, now and forever. Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator Carrington, Senator Dalton, Senator East, Senator Forrester, Senator Garwood, Senator Moore, Senator Shaw of Cumberland, and Senator Webster.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, August 27, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Bertram Watts Coffer from Raleigh, North Carolina, who is serving the Senate as Doctor of the Day, and to Ronald K. Jan de Beur from Charlotte, North Carolina, who is serving the Senate as Nurse of the Day.

EXECUTIVE ORDERS

Executive Orders received in the Office of the Senate Principal Clerk are presented to the Senate and read as follows:

Executive Order Number 138, Emergency Relief for Damage Caused by Hurricane Bonnie.

Executive Order Number 139, Psychologists and Social Workers Licensed or Certified Out of State Permitted to Provide Crisis Counseling for Victims of Hurricane Bonnie.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the

following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1075, AN ACT TO PERMIT LENDERS TO CONTRACT FOR AND RECEIVE SHARED APPRECIATION OR SHARED VALUE IN CERTAIN CIRCUMSTANCES. (Became law upon approval of the Governor, August 27, 1998 - S.L. 1998-116.)

S.B. 245, AN ACT TO AUTHORIZE METROPOLITAN SEWERAGE DISTRICTS AND CERTAIN SANITARY DISTRICTS TO USE INSTALLMENT PURCHASE FINANCING TO THE SAME EXTENT AS OTHER UNITS OF LOCAL GOVERNMENT AND TO REMOVE THE POPULATION REQUIREMENT FOR LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE INSTALLMENT PURCHASE FINANCING. (Became law upon approval of the Governor, August 27, 1998 - S.L. 1998-117.)

H.B. 794, AN ACT TO MAKE SUBSTANTIVE CHANGES TO THE NORTH CAROLINA ENGINEERING AND LAND SURVEYING ACT. (Became law upon approval of the Governor, August 27, 1998 - S.L. 1998-118.)

S.B. 565, AN ACT TO CLARIFY THE APPLICATION OF THE COMMISSIONER OF BANKS' RATE TO VARIABLE RATE LOANS WITH ADJUSTMENT PERIODS GREATER THAN ONE MONTH, TO REPEAL THE LAWS GOVERNING VARIABLE RATE LOANS OF MANUFACTURED HOMES AND INSTALLMENT RATES AND FEES, AND TO AMEND THE NORTH CAROLINA FINANCIAL PRIVACY ACT TO PERMIT THE DISCLOSURE OF THE NAME, ADDRESS, AND EXISTENCE OF AN ACCOUNT OF ANY CUSTOMER. (Became law upon approval of the Governor, August 27, 1998 - S.L. 1998-119.)

H.B. 1405, AN ACT TO AMEND SMALL CLAIMS PROCEDURE TO CLARIFY THAT THE DISTRICT COURT HAS AUTHORITY TO HEAR CERTAIN MOTIONS FOR RELIEF FROM MAGISTRATES' JUDGMENTS, AND TO PROVIDE THAT A DISTRICT COURT JUDGE WHO WAS FORMERLY AN ASSISTANT DISTRICT ATTORNEY OF THE THIRTEENTH JUDICIAL DISTRICT MAY PERFORM THE MARRIAGE CEREMONY. (Became law upon approval of the Governor, August 27, 1998 - S.L. 1998-120.)

H.B. 1367, AN ACT TO RAISE THE SALES TAX QUARTERLY THRESHOLD AND TO REPEAL THE ANNUAL WHOLESALE SALES TAX LICENSE. (Became law upon approval of the Governor, August 27, 1998 - S.L. 1998-121.)

H.B. 915, AN ACT TO PROVIDE THAT FIREFIGHTERS WHO ENGAGE IN SOME FIRE INSPECTION ACTIVITIES AS A SECONDARY RESPONSIBILITY ARE NOT COVERED BY THE LAW PROHIBITING CONFLICTS OF INTEREST BY INSPECTION DEPARTMENTS UNDER SOME CIRCUMSTANCES. (Became law upon approval of the Governor, August 27, 1998 - S.L. 1998-122.)

S.B. 138, AN ACT TO ALLOW AN ALTERNATIVE PROCEDURE FOR DISSOLUTION OF A SANITARY DISTRICT THAT HAS NO INDEBTEDNESS AND THE TERRITORY OF WHICH HAS BEEN ENTIRELY ANNEXED. (Became law upon approval of the Governor, August 27, 1998 - S.L. 1998-123.)

S.B. 1556, AN ACT TO EXTEND TAX-EXEMPT FINANCING UNDER THE HIGHER EDUCATION FACILITIES FINANCE ACT TO PRIVATE ELEMENTARY AND SECONDARY SCHOOL FACILITIES. (Became law upon approval of the Governor, August 27, 1998 - S.L. 1998-124.)

CALENDAR

A resolution on tonight's Calendar is taken up and disposed of, as follows:

H.J.R. 1761, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF JEFF HAILEN ENLOE, JR., FORMER MEMBER OF THE GENERAL ASSEMBLY.

With unanimous consent, on motion of Senator Jenkins, the joint resolution is withdrawn from tonight's Calendar and is placed on the Calendar for Wednesday, September 2, upon second reading.

WITHDRAWAL FROM CALENDAR

S.B. 763 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CREATE THE CRIME VICTIMS' RIGHTS ACT, TO ASSIST VICTIMS OF DOMESTIC VIOLENCE, TO ALLOW THE ENFORCEMENT OF ORDERS FOR RESTITUTION IN CRIMINAL CASES IN THE SAME MANNER AS CIVIL JUDGMENTS, TO CREATE AN EXCEPTION TO THE STATUTORY EXEMPTIONS FOR EXECUTION OF RESTITUTION JUDGMENTS, TO CHANGE THE ORDER OF PRIORITY FOR DISBURSEMENT OF FUNDS IN CRIMINAL CASES, AND TO MAKE CHANGES TO THE CRIME VICTIMS COMPENSATION ACT, placed on the Calendar for Wednesday, September 2.

Senator Cooper offers a motion that the Committee Substitute bill be withdrawn from the Calendar for Wednesday, September 2, and placed on the Calendar for Tuesday, September 1, which motion prevails with unanimous consent.

The Chair orders the Committee Substitute bill withdrawn from the Calendar for Wednesday, September 2, and places it on the Calendar for Tuesday, September 1.

APPOINTMENT OF CONFERENCE COMMITTEES

H.B. 1529 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT.

Pursuant to the receipt of a message from the House of Representatives on August 20 that the House fails to concur in the Senate Committee Substitute No. 2 for H.B. 1529 and requests conferees, Senator Basnight offers a motion that the Senate appoint conferees.

The President *Pro Tempore* appoints Senator Albertson, Chairman, and Senator Garwood, Senator Phillips, and Senator Wellons as conferees on the part of the Senate to resolve the differences arising between the two Bodies.

A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

H.B. 534 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW INCOME WITHHOLDING TO ENFORCE SUPPORT ORDERS, AND THE AWARDING OF ALIMONY, AS RECOMMENDED BY THE FAMILY LAW SECTION OF THE NORTH CAROLINA BAR ASSOCIATION.

Pursuant to the receipt of a message from the House of Representatives on August 26

that the House fails to concur in the Senate Committee Substitute for H.B. 534 and requests Conferees, Senator Basnight offers a motion that the Senate appoint conferees.

The President *Pro Tempore* appoints Senator Reeves, Chairman, and Senator Ballance, Senator Cooper, and Senator Hartsell as conferees on the part of the Senate to resolve the differences arising between the two Bodies.

A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

The President recognizes the following pages serving in the Senate this week:

Michelle Annette Gilliam, Raleigh; Kelly Jean Hill, Chocowinity; Karen A. Holliday, Williamston; Frederick Matthew Joyner, Wilmington; Kristen D. Leggett, Williamston; Amber Marie Lunn, Durham; Nhat Nguyen, Cary; James Terez Sherrod, Raleigh; Joshua Snyder, Durham; Joy Elizabeth Snyder, Durham; Yolanda Street, Zebulon; Blair Nicole Struble, Raleigh; Paul Suffern, Chapel Hill; Sarah Thompson, Chocowinity; Kiyona Wadsworth, Durham; Sara L. Wells, Clayton; and Graham McClary Worth, Raleigh.

On motion of Senator Basnight, seconded by Senator Weinstein, the Senate adjourns at 7:12 P.M. to meet tomorrow, Tuesday, September 1, at 2:00 P.M.

ONE HUNDRED EIGHTY-NINTH DAY

Senate Chamber
Tuesday, September 1, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear Lord, so often the road is long and uphill and we become tired. Opposition seems to face us at every turn.

"Grant special grace today to the Senators, Lieutenant Governor, and Staff, still strong in their convictions but wearied physically and mentally by the demands of the Session.

"Give them daily strength to keep on, for tomorrow may bring the answers which will allow them to achieve their goals.

"Help them to never give up doing what is right for others. In Your Name we pray, Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Forrester, Senator Garwood, Senator Moore, and Senator Shaw of Guilford.

The Senate recesses at 2:03 P.M. to reconvene at 2:08 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Monday, August 31, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Wright Davis Shields from New Bern, North Carolina, who is serving the Senate as Doctor of the Day, and to Susan Craven from Hamlet, North Carolina, who is serving the Senate as Nurse of the Day.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of Secretary of State:

H.B. 1071, AN ACT TO REQUIRE TENANTS TO PAY TO THE CLERK OF COURT THE AMOUNT OF RENT IN ARREARS TO STAY THE EXECUTION OF JUDGMENT FOR SUMMARY EJECTMENT PENDING APPEAL TO DISTRICT COURT AND TO POST A BOND FOR ANY FURTHER APPEALS. (Became law upon approval of the Governor, August 28, 1998 - S.L. 1998-125.)

H.B. 1462, AN ACT TO DIRECT THE COMMISSION FOR HEALTH SERVICES TO REQUIRE THAT CERTAIN NEW SEPTIC TANK SYSTEMS INCLUDE AN EFFLUENT FILTER AND AN ACCESS DEVICE, DEVELOP STANDARDS FOR THESE FILTERS AND DEVICES, AND ADOPT THESE STANDARDS AS TEMPORARY RULES, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION. (Became law upon approval of the Governor, August 28, 1998 - S.L. 1998-126.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Hoyle for the **Finance Committee**:

H.B. 577 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO STRENGTHEN THE REGISTRATION REQUIREMENT FOR FORESTERS, with a favorable report.

H.B. 1489 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPROVE COLLECTION OF LOCAL TAXES BY ALLOWING CERTAIN GOVERNMENT OFFICIALS TO SHARE SPECIFIED TAX INFORMATION AND BY ALLOWING A TAXPAYER TO RECEIVE A RELEASE OR REFUND OF PRORATED VEHICLE PROPERTY TAXES IF THE TAXPAYER MOVES OUT-OF-STATE, with a favorable report.

H.B. 1502 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE CONSTRUCTION AND THE FINANCING OF CERTAIN CAPITAL IMPROVEMENTS PROJECTS OF THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA, with a favorable report.

H.B. 1533 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ENABLE THE COUNTY OF HALIFAX, THE COUNTY OF NORTHAMPTON, AND THE CITY OF ROANOKE RAPIDS TO ESTABLISH AN AIRPORT AUTHORITY FOR THE MAINTENANCE OF REGIONAL AIRPORT FACILITIES, with a favorable report.

H.B. 1318 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO LIMIT THE NONRESIDENT WITHHOLDING REQUIREMENT TO ATHLETES AND ENTERTAINERS AND TO INCREASE THE THRESHOLD REQUIREMENT FOR NONRESIDENT WITHHOLDING, with an unfavorable report as to Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 4214, which changes the title, upon concurrence, to read **H.B. 1318** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO LIMIT THE NONRESIDENT WITHHOLDING REQUIREMENT TO ATHLETES AND ENTERTAINERS, TO INCREASE THE THRESHOLD REQUIREMENT FOR NONRESIDENT WITHHOLDING, AND TO PROVIDE A MECHANISM TO ENHANCE COLLECTION OF TAXES FROM NONRESIDENTS ENGAGED IN CONSTRUCTION-RELATED BUSINESSES, is adopted and engrossed.

By Senator Albertson for the **Agriculture/Environment/Natural Resources Committee**:

S.B. 1284, A BILL TO BE ENTITLED AN ACT TO AMEND THE FISHERIES REFORM ACT OF 1997 AND RELATED MARINE FISHERIES LAWS, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 9612, which changes the title to read **S.B. 1284** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE FISHERIES REFORM ACT OF 1997 AND RELATED MARINE FISHERIES LAWS AND TO CLARIFY THE RESERVED RIGHTS OF THE PUBLIC IN OCEAN BEACHES SEAWARD OF THE VEGETATION LINE, is adopted and engrossed.

With unanimous consent, on motion of Senator Albertson, the Committee Substitute is re-referred to the **Finance Committee**.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 763 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CREATE THE CRIME VICTIMS' RIGHTS ACT, TO ASSIST VICTIMS OF DOMESTIC VIOLENCE, TO ALLOW THE ENFORCEMENT OF ORDERS FOR RESTITUTION IN CRIMINAL CASES IN THE SAME MANNER AS CIVIL JUDGMENTS, TO CREATE AN EXCEPTION TO THE STATUTORY EXEMPTIONS FOR EXECUTION OF RESTITUTION JUDGMENTS, TO CHANGE THE ORDER OF PRIORITY FOR DISBURSEMENT OF FUNDS IN CRIMINAL CASES, AND TO MAKE CHANGES TO THE CRIME VICTIMS COMPENSATION ACT, upon second reading.

The President orders, without objection, the Committee Substitute bill temporarily displaced.

S.B. 1140 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO ALLOW LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE SINGLE-PRIME BIDDING, MULTI-PRIME BIDDING, OR BOTH, FOR CONSTRUCTION PROJECTS OVER FIVE HUNDRED THOUSAND DOLLARS, upon second reading.

Upon motion of Senator Lee, the President orders the Committee Substitute bill placed at the end of today's Calendar.

H.B. 1327 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO ALLOW LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE SINGLE-PRIME BIDDING, MULTI-PRIME BIDDING, OR BOTH, FOR CONSTRUCTION PROJECTS OVER FIVE HUNDRED THOUSAND DOLLARS, upon second reading.

The Committee Substitute bill passes its second (39-6) and third readings and is ordered enrolled and sent to the Governor.

H.B. 1474 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE MOTOR VEHICLE LAWS TO CONFORM WITH FEDERAL LAW AND TO MAKE TECHNICAL AND OTHER CHANGES, upon third reading.

The Senate Committee Substitute bill No. 2 passes its third reading (44-0) and is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill No. 2.

S.B. 1171 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODIFY BUILDING FOUNDATION SETBACK REQUIREMENTS AND TO ESTABLISH MONITORING REQUIREMENTS FOR WATER SUPPLY WELLS SERVING INSTITUTIONS AND FACILITIES, for concurrence in the House Committee Substitute bill.

The Senate concurs in the House Committee Substitute bill (44-0) and the measure is ordered enrolled and sent to the Governor.

S.B. 78 (Conference Report), A BILL TO BE ENTITLED AN ACT AMENDING THE STATE PERSONNEL ACT TO ESTABLISH JURISDICTION FOR THE HEARING OF STATE EMPLOYEE WORKPLACE HARASSMENT GRIEVANCES BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS AND THE STATE PERSONNEL COMMISSION, for adoption.

On motion of Senator Ballance, the Senate adopts the Conference Report (44-0).

The Chair orders a message sent to the House of Representatives informing that Honorable Body of such action.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 78 (Conference Report) House of Representatives
September 1, 1998

Mr. President:

It is ordered that a message be sent to your Honorable Body with the information that the House has adopted the report of the Conferees on SB 78, A BILL TO BE ENTITLED AN ACT AMENDING THE STATE PERSONNEL ACT TO ESTABLISH JURISDICTION FOR THE HEARING OF STATE EMPLOYEE WORKPLACE HARASSMENT GRIEVANCES BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS AND THE STATE PERSONNEL COMMISSION, to the end that when a similar action has been taken on the part of the Senate, you may order the bill enrolled.

Respectfully,
S/Denise Weeks
Principal Clerk

Pursuant to the Senate having adopted the Conference Report earlier today, the President orders the bill enrolled and sent to the Governor.

CALENDAR *(Continued)*

S.B. 1140 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO ALLOW LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE SINGLE-PRIME BIDDING, MULTI-PRIME BIDDING, OR BOTH, FOR CONSTRUCTION PROJECTS OVER FIVE HUNDRED THOUSAND DOLLARS, upon second reading.

With unanimous consent, on motion of Senator Lee, the Committee Substitute bill is withdrawn from today's Calendar and is re-referred to the **Rules and Operations of the Senate Committee**.

S.B. 763 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CREATE THE CRIME VICTIMS' RIGHTS ACT, TO ASSIST VICTIMS OF DOMESTIC VIOLENCE, TO ALLOW THE ENFORCEMENT OF ORDERS FOR RESTITUTION IN CRIMINAL CASES IN THE SAME MANNER AS CIVIL JUDGMENTS, TO CREATE AN EXCEPTION TO THE STATUTORY EXEMPTIONS FOR EXECUTION OF RESTITUTION JUDGMENTS, TO CHANGE THE ORDER OF PRIORITY FOR DISBURSEMENT OF FUNDS IN CRIMINAL CASES, AND TO MAKE CHANGES TO THE CRIME VICTIMS COMPENSATION ACT, temporarily displaced earlier, upon second reading.

Senator McDaniel offers Amendment No. 1.

Senator Cooper rises to a point of order under Rule 57.1 as to the germaneness of Amendment No. 1 offered by Senator McDaniel.

The Senate recesses at 2:35 P.M. to reconvene at 2:40 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

S.B. 763 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CREATE THE CRIME VICTIMS' RIGHTS ACT, TO ASSIST VICTIMS OF DOMESTIC VIOLENCE, TO ALLOW THE ENFORCEMENT OF ORDERS FOR RESTITUTION IN CRIMINAL CASES IN THE SAME MANNER AS CIVIL JUDGMENTS, TO CREATE AN EXCEPTION TO THE STATUTORY EXEMPTIONS FOR EXECUTION OF RESTITUTION JUDGMENTS, TO CHANGE THE ORDER OF PRIORITY FOR DISBURSEMENT OF FUNDS IN CRIMINAL CASES, AND TO MAKE CHANGES TO THE CRIME VICTIMS COMPENSATION ACT, with Amendment No. 1 pending, upon second reading.

The Chair rules Amendment No. 1 offered by Senator McDaniel is not germane to the subject matter of the Committee Substitute bill.

Senator Cooper offers Amendment No. 2 which is adopted (45-0).

The Committee Substitute bill, as amended, passes its second reading (43-2).

Senator Webster objects to third reading of the measure. Pursuant to Rule 50, the President orders the measure placed on the Calendar for tomorrow, Wednesday, September 2, upon third reading.

CONFERENCE REPORT

S.B. 1230 (House Committee Substitute)

Senator Kerr for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **S.B. 1230** (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXEMPT RACING GASOLINE FROM THE PER GALLON EXCISE TAX, TO CLARIFY THE TAXATION OF KEROSENE, AND TO MAKE OTHER CHANGES IN THE MOTOR FUEL TAX LAWS, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 1230, A BILL TO BE ENTITLED AN ACT TO EXEMPT RACING GASOLINE FROM THE PER GALLON EXCISE TAX, TO CLARIFY THE TAXATION OF KEROSENE, AND TO MAKE OTHER CHANGES IN THE MOTOR FUEL TAX LAWS, House Committee Substitute Favorable 6/30/98, submit the following report:

The Senate concurs in the House Committee Substitute Favorable 6/30/98 with the following amendments:

on page 1, lines 2 and 3, rewrite those lines to read:
"AN ACT TO CLARIFY THE TAXATION OF KEROSENE AND TO MAKE";

on page 2, lines 19 through 22, delete those lines;

on page 2, line 23, rewrite the line to read:
"(1) Blended fuel. -- A mixture composed of gasoline or diesel fuel";

on page 4, lines 28 through 35, delete those lines;

on page 6, line 39, add a quotation mark at the end of that line;

on page 6, line 40, delete that line;

on page 7, lines 22 through 35, delete those lines;

on page 8, line 1, rewrite the line to read:
"Refund Period Due Date";

and on page 9, lines 1 through 9, rewrite those lines to read:

"Section 13. Section 7 of this act becomes effective January 1, 1999. Section 1 applies to credits generated from reports filed by motor carriers for the reporting period beginning July 1, 1998. G.S. 105-449.60(7), as amended by Section 3 of this act, and Sections 8 and 9 of this act apply to kerosene sold on or after July 1, 1998. G. S. 105-449.60(31) and (40), as amended by Section 3 of this act, apply to transactions occurring on or after January 1, 1999. The remaining sections of this act are effective when they become law."

The House agrees to the same.

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: 9/1/98.

S/John H. Kerr	S/Robert Brawley
S/David W. Hoyle	S/Charles F. Buchanan
S/Fletcher L. Hartsell, Jr.	S/P. Wayne Sexton
	S/Dewey L. Hill
Conferees for the Senate	*Conferees for the House of Representatives*

The Chair rules the Conference Report to be material and submission constitutes the first reading of the measure.

The House Committee Substitute is ordered placed on the Calendar for tomorrow, Wednesday, September 2, for adoption, upon second reading.

CONFERENCE REPORT

S.B. 1354 (House Committee Substitute)

Senator Kerr for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **S.B. 1354** (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS STATEWIDE RURAL INFRASTRUCTURE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS,

WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, AND WATER CONSERVATION AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 1354, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS STATEWIDE RURAL INFRASTRUCTURE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, AND WATER CONSERVATION AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES, House Committee Substitute, Fifth Edition Engrossed 8/5/98, submit the following report:

The House of Representatives and the Senate agree to the following amendment to the House Committee Substitute, Fifth Edition Engrossed 8/5/98, and the House concurs in the House Committee Substitute, Fifth Edition Engrossed 8/5/98, with the following amendment:

Delete the entire House Committee Substitute, Fifth Edition Engrossed 8/5/98, and substitute the attached Proposed Conference Committee Substitute S1354-PCCS6878X-RB.

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: September 1, 1998.

S/John H. Kerr III	S/James C. Carpenter
S/Frank W. Ballance, Jr.	S/Cynthia B. Watson
S/John H. Carrington	Rex L. Baker
S/Wib Gulley	S/Howard J. Hunter, Jr.
S/Fletcher L. Hartsell, Jr.	S/W. Eugene Wilson
S/David W. Hoyle	
S/R. L. Martin	
S/Eric Miller Reeves	
Conferees for the Senate	*Conferees for the House of Representatives*

The text of the attached Proposed Conference Committee Substitute bill 6878X is as follows:

September 1, 1998

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS STATEWIDE CRITICAL INFRASTRUCTURE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, AND WATER CONSERVATION AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES.

The General Assembly of North Carolina enacts:

Section 1. Short title. This act shall be known as the "Clean Water and Natural Gas Critical Needs Bond Act of 1998."

Section 2. Purpose. It is the intent of the General Assembly by this act to provide for the issuance of general obligation bonds of the State and to provide that the proceeds realized from the sale of the bonds shall be allocated as follows:

(a) Clean Water Bonds.

(1) $500,000,000 to provide State matching funds required to receive federal wastewater or water supply assistance funds, to provide additional funding for the Clean Water Revolving Loan and Grant Fund established in Chapter 159G of the General Statutes, and to provide Funding by grants to local government units for wastewater treatment and water supply and distribution needs;

(2) $300,000,000 to provide loans to local government units to finance all or a portion of the cost of construction, improvements, enlargements, extensions, and reconstruction of water supply and distribution systems, wastewater collection systems, wastewater treatment works, water conservation projects, and water reuse projects.

(b) Natural Gas Bonds.

$200,000,000 to provide grants, loans, or other financing to natural gas local distribution companies, persons seeking natural gas distribution franchises, State or local government agencies, or other entities for construction of natural gas facilities.

Section 3. Definitions. As used in this act, unless the context otherwise requires:

(1) "Bond rating" means the numerical rating of a unit of local government developed by the NCMC. The rating formula is based on 100 being a theoretically "perfect" unit of local government and is an assessment of the creditworthiness of the unit. Units of local government with a rating below 75 or with no ratings have limited, if any, access to the private markets for financing water and sewer or other debt.

(2) "Bonds" means bonds issued under this act.

(3) "Capacity grant" means a grant awarded by the Rural Economic Development Center to a local government unit to pay all or a portion of the cost associated with the planning and writing of a

grant or loan application, a capital improvement plan, or other efforts that support growth and development of rural areas.

(4) "Capital improvement plan" means a report that identifies water and sewer infrastructure and capital needs that address planned and strategic growth. It shall include an assessment of current water and wastewater systems and a projection of those infrastructure needs over a 20-year horizon. The report shall take into consideration government mandates, usefulness of the improvements to the community and the effect on both short and long- term operation and maintenance of the scheduled improvements and identify alternatives for meeting the identified need including regionalization, consolidation and system mergers, water reuse and conservation.

(5) "Clean Water Revolving Loan and Grant Act" means Chapter 796 of the 1987 Session Laws, as amended from time to time, codified as Chapter 159G of the General Statutes.

(6) "Clean Water Revolving Loan and Grant Fund" means the Clean Water Revolving Loan and Grant Fund as defined in the Clean Water Revolving Loan and Grant Act.

(7) "Cost" means, without intending thereby to limit or restrict any proper definition of this term in financing the cost of facilities or purposes authorized by this act:

a. The cost of constructing, reconstructing, enlarging, acquiring, and improving facilities, and acquiring equipment and land therefor,

b. The cost of engineering, architectural, and other consulting services as may be required,

c. Administrative expenses and charges,

d. Finance charges and interest prior to and during construction and, if deemed advisable by the State Treasurer, for a period not exceeding two years after the estimated date of completion of construction,

e. The cost of bond insurance, investment contracts, credit enhancement and liquidity facilities, interest-rate swap agreements or other derivative products, financial and legal consultants, and related costs of bond and note issuance, to the extent and as determined by the State Treasurer,

f. The cost of reimbursing the State for any payments made for any cost described above, and

g. Any other costs and expenses necessary or incidental to the purposes of this act.

Allocations in this act of proceeds of bonds to the costs of a project or undertaking in each case may include allocations to pay the costs set forth in items c., d., e., f., and g. in connection with the issuance of bonds for the project or undertaking.

(8) "Credit facility" means an agreement entered into by the State Treasurer on behalf of the State with a bank, savings and loan association, or other banking institution, an insurance company, reinsurance company, surety company, or other insurance institution, a corporation, investment banking firm, or other

investment institution, or any financial institution or other similar provider of a credit facility, which provider may be located within or without the United States of America, such agreement providing for prompt payment of all or any part of the principal or purchase price (whether at maturity, presentment or tender for purchase, redemption, or acceleration), redemption premium, if any, and interest on any bonds or notes payable on demand or tender by the owner, in consideration of the State agreeing to repay the provider of the credit facility in accordance with the terms and provisions of such agreement.

(9) "Economically depressed area" means any of the following:

a. An economically distressed county as defined in G.S. 143B-437.01.

b. That part of a rural county whose poverty rate is at least one hundred fifty percent (150%) of the State poverty rate. For the purpose of this section, the poverty rate is the percentage of the population with income below the latest annual federal poverty guidelines issued by the Bureau of the Census.

c. That part of a rural county that experiences an actual or imminent loss of manufacturing jobs in a number that is equal to or exceeds five percent (5%) of the total number of manufacturing jobs in the part.

(10) "Local government units" means local government units as defined in the Clean Water Revolving Loan and Grant Act.

(11) "NCMC" means the North Carolina Municipal Council, Inc., a nonprofit North Carolina corporation which provides bond ratings, or any successor thereto. In the event such corporation dissolves or no longer performs the functions contemplated herein, such term shall mean that comparable corporation designated by the State Treasurer.

(12) "Notes" means notes issued under this act.

(13) "Par formula" means any provision or formula adopted by the State to provide for the adjustment, from time to time, of the interest rate or rates borne by any bonds or notes, including:

a. A provision providing for such adjustment so that the purchase price of such bonds or notes in the open market would be as close to par as possible,

b. A provision providing for such adjustment based upon a percentage or percentages of a prime rate or base rate, which percentage or percentages may vary or be applied for different periods of time, or

c. Such other provision as the State Treasurer may determine to be consistent with this act and will not materially and adversely affect the financial position of the State and the marketing of bonds or notes at a reasonable interest cost to the State.

(14) "Rural county" means a county with a density of fewer than 200 people per square mile based on the 1990 United States census.

(15) "Rural Economic Development Center" means the Rural

Economic Development Center, Inc., a nonprofit North Carolina corporation, or any successor thereto. In the event such corporation dissolves or no longer performs the functions contemplated herein, such term shall mean that comparable corporation designated by the Governor.

(16) "Rural school" means a school that is located in a rural county or a school that is located outside the corporate limits of any municipality located in a county that is not a rural county.

(17) "School water or wastewater project" means a project to provide clean water or wastewater treatment for a school by upgrading, replacing, or constructing school water or wastewater facilities.

(18) "State" means the State of North Carolina.

(19) "Supplemental grant" means a grant awarded by the Rural Economic Development Center to a local government unit to assist in financing wastewater collection systems, wastewater treatment works, water conservation projects, water reuse projects, or water supply systems.

(20) "Unsewered communities" means those communities lacking centralized, publicly owned wastewater collection systems and wastewater treatment works.

(21) "Wastewater collection systems" means wastewater collection systems as defined in the Clean Water Revolving Loan and Grant Act.

(22) "Wastewater treatment works" means wastewater treatment works as defined in the Clean Water Revolving Loan and Grant Act.

(23) "Water conservation projects" include, but are not limited to, any construction, repair, renovation, expansion, replacement of components, or other capital improvement, including related equipment and land acquisition, designed to:

a. Eliminate the wasteful or unnecessary use or loss of water in the operations of a wastewater collection system, wastewater treatment works, or water supply system; or

b. Enhance the operation of a wastewater collection system, wastewater treatment works, or water supply system to provide a more efficient use of water.

(24) "Water Pollution Control Revolving Fund" means the fund described by G.S. 159G-4(a) and G.S. 159G-5(c).

(25) "Water reuse" means the actual use or application of treated wastewater in or on areas which require water but do not require potable water quality.

(26) "Water supply systems" means water supply systems as defined in the Clean Water Revolving Loan and Grant Act.

Section 4. Authorization of bonds and notes.

(a) Clean Water Bonds. Subject to a favorable vote of a majority of the qualified voters of the State who vote on the question of issuing Clean Water Bonds in the election called and held as provided in this act, the State Treasurer is hereby authorized, by and with the consent of the Council of State, to issue and sell, at one time or from time to time, general obligation bonds of the State to be designated "State of North Carolina Clean Water Bonds", with any additional designations as may be determined to indicate the issuance of bonds from time to time, or notes of

the State as provided in this act, in an aggregate principal amount not exceeding eight hundred million dollars ($800,000,000) for the purpose of providing funds, with any other available funds, for the purposes authorized in this act.

(b) Natural Gas Bonds. Subject to a favorable vote of a majority of the qualified voters of the State who vote on the question of issuing Natural Gas Bonds in the election called and held as provided in this act, the State Treasurer is hereby authorized, by and with the consent of the Council of State, to issue and sell, at one time or from time to time, general obligation bonds of the State to be designated "State of North Carolina Natural Gas Bonds", with any additional designations as may be determined to indicate the issuance of bonds from time to time, or notes of the State as provided in this act, in an aggregate principal amount not exceeding two hundred million dollars ($200,000,000) for the purpose of providing funds, with any other available funds, for the purposes authorized in this act.

Section 5.1. Use of Clean Water Bond and note proceeds.

(a) Special Emphases. The funds to be derived from the sale of the Clean Water Bonds authorized by this act are sufficient to meet no more than a fraction of the needs that now exist and will arise in the immediate future. For this reason, public necessity and the criteria indicated in the appropriate subsection for each allocation of Clean Water Bond proceeds shall be the primary consideration in granting and loaning funds. In addition to public necessity and the applicable criteria, special emphasis shall also be placed on the following:

(1) The creation of efficient systems of water supply and distribution and wastewater collection and disposal. Such efficiencies may result from the merger or consolidation of smaller systems into regional water and sewer systems where warranted and deemed to be in the best interest of the communities and regions. Such efficiencies may also be obtained through projects proposing water reuse and conservation.

(2) The willingness and ability of local government units to meet their responsibilities through sound fiscal policies, creative planning, and efficient operation and management.

(3) The development of a capital improvement plan.

(4) A reduction in the overall volume of effluent discharged to the State's waters by using alternative methods of wastewater treatment when feasible.

(5) The use of bond proceeds in a manner consistent with the water supply watershed protection requirements of G.S. 143-214.5.

(6) The use of bond proceeds to address current critical infrastructure needs.

Special emphasis is achieved by assigning a significant number of points for the items listed in this subsection in any point system developed for awarding clean water grants or loans from the Clean Water Bond proceeds.

The special emphases in this subsection do not apply to the allocation of Clean Water Bond proceeds for State matching funds or economic development under subsections (d) and (e) of this section.

(b) Prohibited Use of Clean Water Bonds Proceeds. Proceeds from the sale of the Clean Water Bonds shall not be used to construct new water or sewer lines to provide water or sewer connections in any area that has been designated as WS-I or the critical area of any area that has been designated as WS-II, WS-III, or WS-IV by the Environmental Management Commission pursuant to G.S. 143-214.5.

The Secretary of Environment and Natural Resources may grant a waiver to allow construction of new water or sewer lines and to provide water or sewer connections if the Secretary finds that granting the waiver is necessary to protect public health or water quality. A waiver granted by the Secretary under this subsection shall include a requirement that the water or sewer line shall be designed and sized to address only the public health or water quality concerns on which the waiver is based and shall not allow for additional connections beyond those necessary to protect public health and water quality. This subsection does not prohibit the repair or replacement of existing water or sewer lines.

In addition, the proceeds shall not be used for the repair, installation, or replacement of a low-pressure pipe wastewater system with another low-pressure pipe wastewater system.

The prohibitions on the use of Clean Water Bond proceeds in this subsection do not apply to the allocation of Clean Water Bond proceeds for State matching funds under subsection (d) of this section.

(c) High-Unit Cost Grants. The proceeds of three hundred thirty million dollars ($330,000,000) of Clean Water Bonds shall be used by the Department of Environment and Natural Resources to provide grants to local government units for the same purposes and in accordance with the provisions of the Clean Water Revolving Loan and Grant Act for funds in the High-Unit Cost Wastewater Account and the High-Unit Cost Water Supply Account. In addition to the provisions of the Clean Water Revolving Loan and Grant Act and the special emphases in subsection (a) of this section, significant consideration and weight in awarding a clean water grant to an eligible local government unit for expanding infrastructure to support significant additional development shall be given if the applicant, or the local government unit or units having jurisdiction over the service area of the applicant, has adopted a comprehensive land-use plan that meets the requirements of G.S. 159G-10. Any point scheme developed for awarding clean water grants or loans from the clean water bond proceeds for expanding infrastructure to support significant additional development shall assign a significant number of points for having a comprehensive land-use plan that is approved or adopted by the applicant or the local government unit or units having jurisdiction over the service area of the applicant. However, additional points awarded for having a comprehensive land-use plan shall be considered only in the evaluation of competing applications for expanding infrastructure to support additional development and shall not disadvantage other applicants for clean water grants to meet critical infrastructure needs.

The grants shall be made for the purpose of paying the cost of water supply systems, wastewater collection systems, and wastewater treatment works, water conservation projects, water reuse projects, and school water or wastewater projects. The proceeds shall be allocated as follows:

(1) High-Unit Cost Wastewater Account:

a. Reserved for grants to local government units whose bond rating is less than 75 or who have no bond rating $85,000,000

b. Reserved for grants to local government units whose bond rating is 75 or greater ..... $80,000,000.

(2) High-Unit Cost Water Supply Account:

a. Reserved for grants to local government units whose bond rating is less than 75 or who have no bond rating $85,000,000

b. Reserved for grants to local government units whose bond rating is 75 or greater ..... $80,000,000.

The proceeds shall be transferred to the Clean Water Revolving Loan and Grant Fund to make grants to the appropriate local government unit qualifying for a grant from the Clean Water Revolving Loan and Grant Fund in accordance with the provisions of this act and the Clean Water Revolving Loan and Grant Act.

A county may apply for a grant on behalf of a rural school located in the county for a school water or wastewater project.

(d) State Matching Funds. The proceeds of thirty-five million dollars ($35,000,000) of Clean Water Bonds shall be used by the Department of Environment and Natural Resources to provide State funds necessary for the 1999-2000, 2000-2001, 2001-2002, 2002-2003, and 2003-2004 fiscal years to match the federal wastewater or water supply assistance funds deposited in the Water Pollution Control Revolving Fund or another fund that is used to pay the cost of water supply systems, wastewater collection systems, or wastewater treatment works and is eligible to receive federal matching funds, unless the General Assembly has provided the required match through other sources, in which event this allocation shall cease to exist to the extent of the availability of the other sources. The Department of Environment and Natural Resources shall certify to the State Treasurer the amount of funds required for the State match for each of the fiscal years ending June 30, 2000, June 30, 2001, June 30, 2002, June 30, 2003, and June 30, 2004, and the extent to which the General Assembly has provided other funds for this purpose. Upon certification each year of the amount of funds required for the State match for that fiscal year, the State Treasurer may issue from the thirty-five million dollars ($35,000,000) the amount certified up to thirty-five million dollars ($35,000,000). Upon certification for the State match required for the fiscal year ending June 30, 2004, the State Treasurer may issue the remaining balance of the thirty-five million dollars ($35,000,000) of the Clean Water Bonds authorized by this subsection for the purpose of funding the State match for that fiscal year and for any other purposes authorized by this subsection or subsection (c) of this section. The proceeds of the bonds necessary for the State match for each fiscal year shall be deposited in the Water Pollution Control Revolving Fund or another appropriate fund or account determined by the State Treasurer.

(e) Economic Development. The proceeds of twenty million dollars ($20,000,000) of Clean Water Bonds shall be used for the purpose of making grants to local government units to pay the cost of clean water projects in connection with the location of industry to, and expansion of industry in, the State. These grants shall be awarded and administered by the Department of Commerce. These funds shall be applied to pay the costs of grants awarded in the same manner as funds in the Industrial Development Fund created in G.S. 143B-437.01(a), for use in accordance with G.S. 143B-437.01(a), subject to the further limitations on the provisions of G.S. 143B-437.01(a) set forth below, and shall be applied to pay the costs of grants awarded in the same manner as funds in the Utility Account of the Industrial Development Fund created in G.S. 143B-437.01(b1), for use in accordance with G.S. 143B-437.01(b1), subject to the further limitations on the provisions of G.S.

143B-437.01(b1) set forth below. In applying the provisions of G.S. 143B-437.01(a) or G.S. 143B-437.01(b1), as the case may be, the following exceptions shall apply:

(1) The funds shall be used only for grants to local governments, not for loans.

(2) Grants shall be awarded only to projects the Secretary of Commerce finds will have a favorable impact on the clean water objectives of the State.

(3) The only purposes for which grants may be made are construction of or improvements to new or existing water or sewer distribution lines or equipment, construction of or improvements to new or existing wastewater treatment works, or improvements that will expand the capacity of existing wastewater treatment works or water supply systems.

(4) The projects may be located only in counties that are economically distressed as defined in G.S. 143B-437.01 or have a population of less than 50,000.

(5) Grants may be made only with respect to the following industries as defined in G.S. 105-129.2, notwithstanding any expiration of that statute: manufacturing and warehousing and wholesale trade.

(6) The provisions of G.S. 143B-437.01(a) or G.S. 143B-437.01(b1), as the case may be, that limit the expenditure of funds to costs of utility lines or facilities located on the site of the new or proposed industrial building or that are directly related to the operation of the specific industrial activity at the building, shall not apply if the utility lines or facilities being provided will further the clean water objectives of the State.

The General Assembly finds that the purpose of providing water and sewer distribution lines and wastewater treatment works in counties eligible for grants under this subsection is to provide clean water in North Carolina in several different ways. First, these projects will reduce industrial reliance on wells, septic tanks, and other similar facilities. Second, when a distribution line is extended to an industrial facility in an area not otherwise served by water and sewer infrastructure, residents, other businesses, and local governments can connect into the distribution line, bringing clean water, wastewater treatment, or both to the unserved area. Also, the installation and expansion of water supply and wastewater treatment facilities to provide water supply and wastewater treatment in connection with new or expanding industry will result in additional water supply and treatment facilities available to the residents, other businesses, and local governments in the area where the installation or expansion occurs.

The proceeds of the Clean Water Bonds, issued for the purpose described in this subsection, shall be held in the Clean Water Bonds Fund until needed for expenditure by the grantee for the payment of the cost for the purpose for which the grant is made. The Department of Commerce shall maintain records that document the timing and purpose for which each expenditure of proceeds of a grant is made.

(f) Supplemental and Capacity Grants. The proceeds of sixty million dollars ($60,000,000) of Clean Water Bonds shall be used to provide supplemental and capacity grants to eligible local government units to match federal, State, and other grant or loan program funds to plan or improve needed water and sewer projects. Such grants shall be awarded and administered by the Rural Economic Development Center. Those proceeds shall be allocated as follows:

(1) Supplemental Grants $48,000,000
(2) Capacity Grants ..... $12,000,000.

The Rural Economic Development Center shall certify to the State Treasurer the amount of funds required, not to exceed eight million dollars ($8,000,000) for supplemental grants and not to exceed two million dollars ($2,000,000) for capacity grants, for each of the fiscal years ending June 30, 2000, June 30, 2001, June 30, 2002, June 30, 2003, June 30, 2004, and June 30, 2005. Upon certification each year of the amount of funds required for that fiscal year, the State Treasurer may issue the amount certified up to ten million dollars ($10,000,000). Upon certification for the fiscal year ending June 30, 2005, the State Treasurer may issue the remaining balance of the sixty million dollars ($60,000,000) of the Clean Water Bonds authorized by this subsection for any other purposes authorized by this subsection.

Grants made from the proceeds of this sixty million dollars ($60,000,000) for supplemental grants shall be based on the following criteria:

(1) The applicant shall be a rural county, a local government unit located in a rural county, or a county that is applying for a grant on behalf of a rural school located in that county as provided in subdivision (5) of this subsection.

(2) A water supply system, wastewater collection system, or wastewater treatment work shall receive funding priority if the system is located within an economically distressed county as defined in G.S. 143B-437.01.

(3) A water supply system, wastewater collection system, or wastewater treatment works that is proposed in a rural county that is not also an economically distressed county, as defined in G.S. 143B-437.01, must meet at least one of the following criteria: (i) be located in that part of the county where the poverty rate is at least one hundred fifty percent (150%) of the State poverty rate, (ii) be located in that part of the county where the unemployment rate is at least double the State unemployment rate for the most recent reporting period available, or (iii) be located in that part of the county that experiences an actual or imminent loss of jobs in a number that equals or exceeds five percent (5%) of the total number of jobs in that part of the county. Any grant awarded under this subdivision (3) shall be matched by the applicant on a dollar-for-dollar basis in the amount of the grant awarded.

(4) The grant funds shall supplement other funding and shall not represent the total costs of the wastewater collection systems, wastewater treatment works, water conservation projects, water reuse projects, or water supply systems financed.

(5) A county may apply for a grant on behalf of a rural school located in the county for a school water or wastewater project.

The Rural Economic Development Center shall award grants to units of local government for the purposes authorized by this subsection in accordance with the criteria set forth in this subsection. The proceeds of the Clean Water Bonds issued for the purpose described in this subsection shall be held in the Clean Water Bonds Fund until needed for expenditure by the grantee for the payment of costs for the purposes for which the grant is made. The Rural Economic Development Center shall maintain records that document the timing and purpose for which each

expenditure of proceeds of a grant is made and shall furnish such records to the Secretary of Commerce at the time a request for a payment to or on behalf of a grantee is to be made.

At the end of each fiscal year, the Secretary of Commerce shall review the grants awarded by the Rural Economic Development Center with proceeds from the Clean Water Bonds to verify that the grants awarded comply with the requirements of this act. The Secretary of Commerce shall provide his or her findings regarding compliance in writing to the State Treasurer. At the time the Rural Economic Development Center provides information to the Secretary of Commerce as to the grants awarded during the preceding fiscal year, the Rural Economic Development Center shall also provide the Secretary of Commerce with a copy of all records of the Rural Economic Development Center from the preceding fiscal year (to the extent not previously provided to the Secretary) that document the timing and purposes of the expenditures by the grantee units of local government of the proceeds of the grants funded from proceeds of the Clean Water Bonds.

(g) Unsewered Community Grants. The proceeds of fifty- five million dollars ($55,000,000) of Clean Water Bonds shall be used to provide grants to eligible local government units to assist with wastewater treatment works and wastewater collection systems. Such grants shall be awarded and administered by the Rural Economic Development Center.

The proceeds of this fifty-five million dollars ($55,000,000) of Clean Water Bonds shall be awarded on the following criteria:

(1) The applicant shall be a local government unit.

(2) The applicant's population shall not exceed 5,000 persons using the most recent annual population estimates certified by the State Planning Officer.

(3) The applicant shall be an unsewered community.

(4) The applicant's median household income shall not exceed ninety percent (90%) of the national median household income using the most recently updated income figures made available from the Bureau of the Census.

(5) The applicant has agreed by official resolution to adopt and place into effect on or before completion of the project a schedule of fees and charges for the proper operation, maintenance, and administration of the project. The schedule of fees and charges shall reflect at least the average annual water and wastewater cost per household calculated at one and one-half percent (1 1/2%) of the median household income of the applicant.

(6) The applicant must submit as part of the application packet a preliminary engineering report, including an analysis of possible wastewater service alternatives, and an environmental assessment.

An applicant who satisfies the criteria under this subsection (g) may be eligible for up to ninety percent (90%) of the total project cost.

The Rural Economic Development Center shall award grants to units of local government for the purposes authorized by this subsection in accordance with the criteria set forth in this subsection. The proceeds of the Clean Water Bonds issued for the purpose described in this subsection shall be held in the Clean Water Bonds Fund until needed for expenditure by the grantee for the payment of costs for the purposes for which the grant is made. The Rural Economic Development Center shall maintain records that document the timing and purpose for which each

expenditure of proceeds of a grant is made and shall furnish such records to the Secretary of Commerce at the time a request for payment to or on behalf of a grantee is to be made.

At the end of each fiscal year the Secretary of Commerce shall review the grants awarded by the Rural Economic Development Center with proceeds from the Clean Water Bonds to verify that the grants awarded comply with the requirements of this act. The Secretary of Commerce shall provide his or her findings regarding compliance in writing to the State Treasurer.

At the time that the Rural Economic Development Center provides information to the Secretary of Commerce as to the grants awarded during the preceding fiscal year, the Rural Economic Development Center shall also provide the Secretary of Commerce with a copy of all records of the Rural Economic Development Center from the preceding fiscal year (to the extent not previously provided to the Secretary) that document the timing and purposes of the expenditures by the grantee units of local government of the proceeds of the grants funded from the proceeds of the Clean Water Bonds.

(h) Loans to Local Governments. The proceeds of three hundred million dollars ($300,000,000) of Clean Water Bonds shall be used for the purpose of making loans to local government units to pay the cost of water supply systems, water conservation projects, water reuse projects, wastewater collection systems, and wastewater treatment works. The proceeds shall be allocated as follows:

(1) Wastewater collection systems and wastewater treatment works:

a. Reserved for loans to local government units whose bond rating is less than 75 or who have no bond rating..... $10,000,000

b. Reserved for loans to local government units whose bond rating is 75 or more..... $140,000,000.

(2) Water supply and distribution systems and water conservation projects:

a. Reserved for loans to local government units whose bond rating is less than 75 or who have no bond rating..... $10,000,000

b. Reserved for loans to local government units whose bond rating is 75 or more..... $140,000,000.

The proceeds shall be used to make loans directly to local government units qualifying for a loan from the Clean Water Revolving Loan and Grant Fund or loaned in such other manner as shall effectuate the purposes of this act. To qualify for a loan for the purpose of paying the cost of water supply systems, a local government unit must have a water supply facility plan approved by the Department of Environment and Natural Resources. A water supply facility plan submitted by a local government unit to the Department under G.S. 143-355(l) will be sufficient to meet this requirement. To qualify for a loan for the purpose of paying the cost of wastewater collection systems or wastewater treatment works, a local government unit must have a wastewater facility plan approved by the Department of Environment and Natural Resources. A wastewater facility plan must project future wastewater treatment needs, must present a long-range plan to meet those needs, and must

include plans for system operations and maintenance of the facilities being built with the bond proceeds. In addition to the requirements listed above and the special emphases in subsection (a) of this section, significant consideration and weight in awarding a clean water grant to an eligible local government unit for expanding infrastructure to support significant additional development shall be given if the applicant, or the local government unit or units having jurisdiction over the service area of the applicant, has adopted a comprehensive land-use plan that meets the requirements of G.S. 159G-10. Any point scheme developed for awarding clean water grants or loans from the clean water bond proceeds for expanding infrastructure to support significant additional development shall assign a significant number of points for having a comprehensive land-use plan that is approved or adopted by the applicant or the local government unit or units having jurisdiction over the service area of the applicant. However, additional points awarded for having a comprehensive land-use plan shall be considered only in the evaluation of competing applications for expanding infrastructure to support significant additional development and shall not disadvantage other applicants for clean water loans to meet critical infrastructure needs.

A county may apply for a loan on behalf of a rural school located in the county for a school water or wastewater project.

The Department of Environment and Natural Resources shall set the priorities and determine the eligibility of local government units for these loans in accordance with Section 10 of this act. The form of the loans and the details thereof including, without limitation, the maturity, interest rate, and amortization schedule shall be determined, from time to time, by the State Treasurer. In making these determinations, the State Treasurer shall consider the purpose of the loans, the ability of local government units to repay the loans, and the security for the loans. The interest rates on these loans shall reflect the self-supporting nature of the loan program and shall be sufficient to cover substantially all payments of debt service on the three hundred million dollars ($300,000,000) of Clean Water Bonds and the issuance costs and administrative expenses associated with the issuance of these bonds and the making of these loans, subject to any applicable requirements of the federal tax law.

Repayments of the loans shall be credited to the General Fund and may be used to pay, directly or indirectly, debt service on the bonds and notes issued. Repayments may be initially placed into such fund or account as may be determined by the State Treasurer for the purpose of determining compliance with applicable requirements of the federal tax law and shall be expended and disbursed therefrom under the direction and supervision of the Director of the Budget.

(i) Redistribution of the Allocation. The General Assembly may at this session or at any subsequent session increase or decrease the allocations of the proceeds of the Clean Water Bonds set forth in subsections (c), (d), (e), (f), (g), and (h) of this section, so long as the aggregate amount of the allocations does not exceed eight hundred million dollars ($800,000,000).

(j) Contracts With Private Entities. To the extent otherwise authorized by law, and to the extent the use otherwise accomplishes the clean water objectives of the State, this act does not prohibit a local government unit from using the proceeds of Clean Water Bonds for projects that accomplish the clean water objectives of this State through contracts or other arrangements with private entities.

Section 5.2. Use of Natural Gas Bonds and note proceeds. The proceeds of Natural Gas Bonds and notes shall be used for the purpose of providing grants,

loans, or other financing to natural gas local distribution companies, persons seeking natural gas distribution franchises, State or local government agencies, or other entities for the costs of constructing natural gas facilities, including pipelines, compressors, interests in real property, and related equipment for the delivery of natural gas in order to facilitate the expansion of natural gas facilities to unserved areas of the State in accordance with the findings of the General Assembly as described in Section 16 of this act.

Section 6. Allocation of proceeds.

(a) Clean Water Bonds. The proceeds of Clean Water Bonds and notes, including premium thereon, if any, except the proceeds of bonds the issuance of which has been anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer in a special fund to be designated "Clean Water Bonds Fund", which may include such appropriate special accounts therein as may be determined by the State Treasurer and shall be disbursed as provided in this act. Moneys in the Clean Water Bonds Fund shall be allocated and expended as provided in this act.

Any additional moneys which may be received by means of a grant or grants from the United States of America or any agency or department thereof or from any other source for deposit to the Clean Water Bonds Fund may be placed in the Clean Water Bonds Fund or in a separate account or fund and shall be disbursed, to the extent permitted by the terms of the grant or grants, without regard to any limitations imposed by this act.

Moneys in the Clean Water Bonds Fund or any separate clean water fund or account established under this act may be invested from time to time by the State Treasurer in the same manner permitted for investment of moneys belonging to the State or held in the State treasury, except with respect to grant money to the extent otherwise directed by the terms of the grant. Investment earnings, except investment earnings with respect to grant moneys to the extent otherwise directed or restricted by the terms of the grant, may be (i) credited to the Clean Water Bonds Fund or any separate clean water fund or account established under this act, (ii) used to pay debt service on the bonds authorized by this act, (iii) used to satisfy compliance with applicable requirements of the federal tax law, or (iv) transferred to the General Fund of the State.

The proceeds of bonds and notes may be used with any other moneys made available by the General Assembly for making grants and loans authorized by this act, including the proceeds of any other State bond issues, whether heretofore made available or which may be made available at the session of the General Assembly at which this act is ratified or any subsequent sessions. The proceeds of bonds and notes shall be expended and disbursed under the direction and supervision of the Director of the Budget. The funds provided by this act shall be disbursed for the purposes provided in this act upon warrants drawn on the State Treasurer by the State Controller, which warrants shall not be drawn until requisition has been approved by the Director of the Budget and which requisition shall be approved only after full compliance with the Executive Budget Act, Article 1 of Chapter 143 of the General Statutes.

(b) Natural Gas Bonds. The proceeds of Natural Gas Bonds and notes, including premium thereon, if any, except the proceeds of bonds the issuance of which has been anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer in a special fund to be designated "Natural Gas Bonds Fund", which may include such appropriate special

accounts therein as may be determined by the State Treasurer, and shall be disbursed as provided in this act. Moneys in the Natural Gas Bonds Fund shall be allocated and expended as provided in this act. The proceeds may be used in accordance with G.S. 62-159 or may be distributed in accordance with the provisions of legislation enacted by the General Assembly in 1998 or later providing for the allocation of the bond proceeds for the purposes provided in this act.

Any additional moneys which may be received by means of a grant or grants from the United States of America or any agency or department thereof or from any other source to aid in financing the cost of any natural gas grants authorized by this act may be placed by the State Treasurer in the Natural Gas Bonds Fund or in a separate account or fund and shall be disbursed, to the extent permitted by the terms of the grant or grants, without regard to any limitations imposed by this act.

Moneys in the Natural Gas Bonds Fund or any separate natural gas fund or account established under this act may be invested from time to time by the State Treasurer in the same manner permitted for investment of moneys belonging to the State or held in the State treasury, except with respect to grant money to the extent otherwise directed by the terms of the grant. Investment earnings, except investment earnings with respect to grant money to the extent otherwise directed or restricted by the terms of the grant, may be (i) credited to the Natural Gas Bonds Fund or any separate natural gas fund or account established under this act; (ii) used to pay debt service on the Natural Gas Bonds authorized by this act; (iii) used to satisfy compliance with applicable requirements of the federal tax law; or (iv) transferred to the General Fund of the State.

The proceeds of Natural Gas Bonds and notes may be used with any other moneys made available by the General Assembly for providing grants, loans, or other financing in accordance with this act, including the proceeds of any other State bond issues, whether heretofore made available or which may be made available at the session of the General Assembly at which this act is ratified or any subsequent sessions. The proceeds of Natural Gas Bonds and notes shall be expended and disbursed under the direction and supervision of the Director of the Budget. The funds provided by this act for construction of natural gas facilities shall be disbursed for the purposes provided in this act upon warrants drawn on the State Treasurer by the State Controller, which warrants shall not be drawn until requisition has been approved by the Director of the Budget and which requisition shall be approved only after full compliance with the Executive Budget Act, Article 1 of Chapter 143 of the General Statutes.

The North Carolina Utilities Commission shall provide quarterly reports to the Joint Legislative Commission on Governmental Operations, the Chairs of the Senate and House of Representatives Appropriations Committees, and the Fiscal Research Division on the expenditure of moneys from the Natural Gas Bonds Fund.

(c) Costs. Allocations to the costs of a capital improvement or undertaking in each case may include allocations to pay the costs set forth in Section 3(7)c., d., e., f., and g. of this act in connection with the issuance of bonds for that capital improvement or undertaking.

Section 7. Election. The questions of the issuance of the bonds authorized by this act shall be submitted to the qualified voters of the State at an election to be held on the first Tuesday after the first Monday of November 1998. Any other primary, election, or referendum validly called or scheduled by law at the time the election on the bond question provided for in this section is held may be held as called or scheduled. Notice of the election shall be given in the manner and

at the times required by G.S. 163-33(8). The election and the registration of voters therefor shall be held under and in accordance with the general laws of the State. Absentee ballots shall be authorized in the election.

The State Board of Elections shall reimburse the counties of the State for all necessary expenses incurred in holding the election that are in addition to those that would have otherwise been incurred, the same to be paid out of the Contingency and Emergency Fund or other funds available to the State Board of Elections.

Ballots, voting systems authorized by Article 14 of Chapter 163 of the General Statutes, or both may be used in accordance with rules prescribed by the State Board of Elections. The bond questions to be used in the ballots or voting systems shall be in substantially the following form:

"[ ] FOR [ ] AGAINST

the issuance of eight hundred million dollars ($800,000,000) State of North Carolina Clean Water Bonds constituting general obligation bonds of the State secured by a pledge of the faith and credit and taxing power of the State for the purpose of providing funds, with any other available funds, to make loans and grants to local government units to pay all or a portion of the cost of clean water projects."

"[ ] FOR [ ] AGAINST

the issuance of two hundred million dollars ($200,000,000) State of North Carolina Natural Gas Bonds constituting general obligation bonds of the State secured by a pledge of the faith and credit and taxing power of the State for the purpose of providing funds, with any other available funds, to provide grants, loans, or other financing to public or private entities for construction of natural gas facilities in order to facilitate the expansion of natural gas facilities to unserved portions of the State."

If a majority of those voting on a bond question in the election vote in favor of the issuance of the bonds described in the question, those bonds may be issued as provided in this act. If a majority of those voting on a bond question in the election vote against the issuance of the bonds described in the question, those bonds shall not be issued.

The results of the election shall be canvassed and declared as provided by law for elections for State officers; the results of the election shall be certified by the State Board of Elections to the Secretary of State, in the manner and at the time provided by the general election laws of the State.

Section 8. Issuance of bonds and notes.

(a) Terms and Conditions. Bonds or notes may bear such date or dates, may be serial or term bonds or notes, or any combination thereof, may mature in such amounts and at such time or times, not exceeding 40 years from their date or dates, may be payable at such place or places, either within or without the United States of America, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, may bear interest at such rate or rates, which may vary from time to time, and may be made redeemable before maturity, at the option of the State or otherwise as may be provided by the State, at such price or prices, including a price less than the face amount of the bonds or notes, and under such terms and conditions, all as may be determined by the State Treasurer, by and with the consent of the Council of State.

(b) Signatures; Form and Denomination; Registration. Bonds or notes may be issued as certificated or uncertificated obligations. If issued as certificated obligations, bonds or notes shall be signed on behalf of the State by the Governor or shall bear his or her facsimile signature, shall be signed by the State Treasurer or

shall bear his or her facsimile signature, and shall bear the Great Seal of the State or a facsimile thereof shall be impressed or imprinted thereon. If bonds or notes bear the facsimile signatures of the Governor and the State Treasurer, the bonds or notes shall also bear a manual signature which may be that of a bond registrar, trustee, paying agent, or designated assistant of the State Treasurer. Should any officer whose signature or facsimile signature appears on bonds or notes cease to be such officer before the delivery of the bonds or notes, the signature or facsimile signature shall nevertheless have the same validity for all purposes as if the officer had remained in office until delivery, and bonds or notes may bear the facsimile signatures of persons who at the actual time of the execution of the bonds or notes shall be the proper officers to sign any bond or note although at the date of the bond or note such persons may not have been such officers. The form and denomination of bonds or notes, including the provisions with respect to registration of the bonds or notes and any system for their registration, shall be as the State Treasurer may determine in conformity with this act; provided, however, that nothing in this act shall prohibit the State Treasurer from proceeding, with respect to the issuance and form of the bonds or notes, under the provisions of Chapter 159E of the General Statutes, the Registered Public Obligations Act, as well as under this act.

(c) Manner of Sale; Expenses. Subject to determination by the Council of State as to the manner in which bonds or notes shall be offered for sale, whether at public or private sale, whether within or without the United States of America, and whether by publishing notices in certain newspapers and financial journals, mailing notices, inviting bids by correspondence, negotiating contracts of purchase or otherwise, the State Treasurer is authorized to sell bonds or notes at one time or from time to time at such rate or rates of interest, which may vary from time to time, and at such price or prices, including a price less than the face amount of the bonds or the notes, as the State Treasurer may determine. All expenses incurred in preparation, sale, and issuance of bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes or other available moneys.

(d) Notes; Repayment.

(1) By and with the consent of the Council of State, the State Treasurer is hereby authorized to borrow money and to execute and issue notes of the State for the same, but only in the following circumstances and under the following conditions:

a. For anticipating the sale of bonds to the issuance of which the Council of State shall have given consent, if the State Treasurer shall deem it advisable to postpone the issuance of the bonds;

b. For the payment of interest on or any installment of principal of any bonds then outstanding, if there shall not be sufficient funds in the State treasury with which to pay the interest or installment of principal as they respectively become due;

c. For the renewal of any loan evidenced by notes herein authorized;

d. For the purposes authorized in this act; and

e. For refunding bonds or notes as herein authorized.

(2) Funds derived from the sale of bonds or notes may be used in the payment of any bond anticipation notes issued under this act. Funds provided by the General Assembly for the payment of

interest on or principal of bonds shall be used in paying the interest on or principal of any notes and any renewals thereof, the proceeds of which shall have been used in paying interest on or principal of the bonds.

(e) Refunding Bonds and Notes. By and with the consent of the Council of State, the State Treasurer is authorized to issue and sell refunding bonds and notes pursuant to the provisions of the State Refunding Bond Act for the purpose of refunding bonds or notes issued pursuant to this act. The refunding bonds and notes may be combined with any other issues of State bonds and notes similarly secured.

(f) Tax Exemption. Bonds and notes shall be exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding inheritance and gift taxes, income taxes on the gain from the transfer of bonds and notes, and franchise taxes. The interest on bonds and notes shall not be subject to taxation as to income.

(g) Investment Eligibility. Bonds and notes are hereby made securities in which all public officers, agencies, and public bodies of the State and its political subdivisions, all insurance companies, trust companies, investment companies, banks, savings banks, savings and loan associations, credit unions, pension or retirement funds, other financial institutions engaged in business in the State, executors, administrators, trustees, and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Bonds and notes are hereby made securities which may properly and legally be deposited with and received by any officer or agency of the State or political subdivision of the State for any purpose for which the deposit of bonds, notes, or obligations of the State or any political subdivision is now or may hereafter be authorized by law.

(h) Faith and Credit. The faith and credit and taxing power of the State are hereby pledged for the payment of the principal of and the interest on bonds and notes. In addition to the State's right to amend any provision of this act to the extent it does not impair any contractual right of a bond owner, the State expressly reserves the right to amend any provision of this act with respect to the making and repayment of loans, the disposition of any repayments of loans, and any intercept provisions relating to the failure of a local government unit to repay a loan, the bonds not being secured in any respect by loans, any repayments thereof, or any intercept provisions with respect thereto.

Section 9. Variable interest rates. In fixing the details of bonds and notes, the State Treasurer may provide that any of the bonds or notes may:

(1) Be made payable from time to time on demand or tender for purchase by the owner thereof provided a credit facility supports the bonds or notes, unless the State Treasurer specifically determines that a credit facility is not required upon a finding and determination by the State Treasurer that the absence of a credit facility will not materially or adversely affect the financial position of the State and the marketing of the bonds or notes at a reasonable interest cost to the State;

(2) Be additionally supported by a credit facility;

(3) Be made subject to redemption or a mandatory tender for purchase prior to maturity;

(4) Bear interest at a rate or rates that may vary for such period or periods of time, all as may be provided in the proceedings

providing for the issuance of the bonds or notes, including, without limitation, such variations as may be permitted pursuant to a par formula; and

(5) Be made the subject of a remarketing agreement whereby an attempt is made to remarket bonds or notes to new purchasers prior to their presentment for payment to the provider of the credit facility or to the State.

If the aggregate principal amount repayable by the State under a credit facility is in excess of the aggregate principal amount of bonds or notes secured by the credit facility, whether as a result of the inclusion in the credit facility of a provision for the payment of interest for a limited period of time or the payment of a redemption premium or for any other reason, then the amount of authorized but unissued bonds or notes during the term of such credit facility shall not be less than the amount of such excess, unless the payment of such excess is otherwise provided for by agreement of the State executed by the State Treasurer.

Section 10. Special provisions governing clean water loans.

(a) Scope. The provisions of this section shall apply to loans being made from the proceeds of bonds authorized by this act for clean water projects, other than from funds deposited in the Clean Water Revolving Loan and Grant Fund.

(b) Clean Water Bonds Loan Account. There is established in the Department of State Treasurer a special account to be known as the Clean Water Bonds Loan Account, which may include any special or segregated accounts the State Treasurer considers appropriate. There shall be deposited in the Clean Water Bonds Loan Account proceeds of the Clean Water Bonds and notes to be used to make loans, other than loans to be made through the Clean Water Revolving Loan and Grant Fund, to local government units for clean water projects as provided in this act.

Except as otherwise permitted by Section 6 of this act with respect to the use of investment earnings, all moneys accruing to the credit of the Clean Water Bonds Loan Account other than funds set aside for administrative expenses, including expenses related to determining compliance with applicable requirements of the federal tax law and costs of issuance, shall be used to make loans for the purposes provided in this act. The State Treasurer shall be responsible for making and administering all loans pursuant to the provisions of this section.

(c) Application for Loans; Hearings.

(1) Eligibility/Initial Hearing:

a. Prior to filing an application for a loan, a local government unit shall hold a public hearing. A notice of the public hearing shall be published once at least 10 days before the date fixed for the hearing.

b. All applications for loans shall be filed with the Department of Environment and Natural Resources. The form of the application shall be prescribed by the Department and shall require any information necessary to determine the eligibility for a loan under the provisions of this section. All applications approved by the Department of Environment and Natural Resources shall be filed with the Local Government Commission. Each applicant shall furnish to the Department of Environment and Natural Resources and the Local Government Commission information in addition

or supplemental to the information contained in its application, upon request.

c. A local government unit shall not be eligible for a loan unless it demonstrates to the satisfaction of the Department of Environment and Natural Resources and the Local Government Commission that:

1. The applicant is a local government unit;
2. The applicant has the financial capacity to pay the principal of and interest on its proposed loan as evidenced by the approval of the Local Government Commission;
3. The applicant has substantially complied or will substantially comply with all applicable laws, rules, regulations, and ordinances, whether federal, State, or local; and
4. The applicant has agreed by official resolution to adopt and place into effect a schedule of fees and charges or the application of other sources of revenue which will provide adequate funds for proper operation, maintenance, and administration of the project and repayment of all principal and interest on the loan.

(2) Assessment. The Department of Environment and Natural Resources may require any applicant to file with its application an assessment of the impact the project for which the funds are sought will have upon meeting the facility needs of the area within which the project is to be located.

(3) Hearing by the Department of Environment and Natural Resources or the Local Government Commission. A public hearing may be held by the Department of Environment and Natural Resources or the Local Government Commission at any time on any application. Public hearings may also be held by the Department of Environment and Natural Resources in its discretion upon written request from any citizen or taxpayer who is a resident of the county or counties in which the project is to be located or a resident of the local government unit that proposes to borrow moneys under this act, if it appears that the public interest will be served by the hearing. The written request shall set forth each objection to the proposed project or other reason for requesting a hearing on the application and shall contain the name and address of the persons submitting it. In deciding whether to grant a request for a hearing on an application, the Department of Environment and Natural Resources may consider the application, the written objections to the proposed project, and the facility needs and shall determine if the public interest will be served by a hearing. The determination by the Department of Environment and Natural Resources shall be conclusive, and all written requests for a hearing shall be retained as a permanent part of the records pertaining to the application.

(4) Petition for Vote. A petition, demanding that the question of

whether to enter into a loan agreement with the State under this act be submitted to voters, may be filed with the clerk of the local government unit applying for the loan within 15 days after the public hearing required by this section. The petition's sufficiency shall be determined and a referendum, if any, shall be conducted according to the standards, procedures, and limitations set out in G.S. 159-60 through G.S. 159-62.

(d) Priorities.

(1) Determination. Determination of priorities to be assigned each eligible project shall be made semiannually by the Department of Environment and Natural Resources during each fiscal year. Every eligible project shall be considered by the Department of Environment and Natural Resources with every other project eligible during this same priority period.

(2) Priority Factors. All applications for loans under this act shall be assigned a priority by the Department of Environment and Natural Resources. The Department of Environment and Natural Resources shall establish other priority factors criteria by rule.

(3) Assignment of Priority. A written statement relative to each priority assigned shall be prepared by the Department of Environment and Natural Resources and shall be attached to the application. The priority assigned shall be conclusive.

(4) Failure to Qualify. If an application does not qualify for a loan as of the prior period in which the application was eligible for consideration by reason of the priority assigned, the application shall be considered during the next succeeding priority period upon request of the applicant. If the application again fails to qualify for a loan during the second priority period by reason of the priority assigned, the application shall receive no further consideration. An applicant may file a new application at any time and may amend any pending application to include additional data or information.

(5) Withdrawal of Commitment. Failure of an applicant within one year after the date of acceptance of the loan to arrange for necessary financing of the proposed project or award of the contract of the construction of the proposed project shall constitute sufficient cause for withdrawal of the commitment. Prior to withdrawal of a commitment, the Department of Environment and Natural Resources shall give due consideration to any extenuating circumstances presented by the applicant as reasons for failure to arrange necessary financing or to award a contract, and the commitment may be extended for an additional period of time if, in the judgment of the Department of Environment and Natural Resources, the extension is justified.

(e) Disbursement. To be eligible to receive the loans provided for in this section, a local government unit must arrange to borrow the amounts necessary pursuant to rules adopted by the Local Government Commission. No funds shall be disbursed until the Department of Environment and Natural Resources gives a certificate of eligibility to the effect that the applicant meets all eligibility criteria and that all procedural requirements of this act have been met. The maximum principal

amount of a loan shall be one hundred percent (100%) of the cost of any eligible project.

(f) Intercept. The governing body of a local government unit shall by resolution authorize to be included in its loan agreement a provision authorizing the State Treasurer, upon failure of the local government unit to make a scheduled repayment of the loan, to withhold from the local government unit any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan. In such event, notwithstanding any other provision of law, the State Treasurer is authorized to withhold and apply such funds to the repayment of the loan, except that such funds shall not be withheld if (i) before the execution of the loan agreement, such funds have been legally pledged to secure special obligation bonds or other obligations of the local government unit, or (ii) after the execution of the loan agreement, such funds are legally pledged to secure special obligation bonds or other obligations of the local government unit as authorized in this subsection. After the execution of a loan agreement, all or any portion of the State funds specified in the loan agreement to be so withheld may be pledged to secure special obligation bonds or other obligations of the local government unit only with the prior written consent of the State Treasurer.

The State Treasurer shall notify the Secretary of Revenue and the State Controller of the amount to be withheld from the local government unit, and the Secretary of Revenue and the State Controller shall transfer to the State Treasurer the amount so requested to be applied by the State Treasurer to the repayment of the loan.

(g) Inspection. Inspection of a project for which a loan has been made under this act may be performed by qualified personnel of the Department of Environment and Natural Resources or may be performed by qualified engineers registered in this State approved by the Department of Environment and Natural Resources. No person shall be approved to perform inspections who is an officer employed by the local government unit to which the loan was made or who is an owner, officer, employer, or agent of a contractor or subcontractor engaged in the construction of the project for which the loan was made. For the purpose of payment of inspection fees, inspection services shall be included in the term "cost" as used in this act.

(h) Rules. The State Treasurer, the Local Government Commission, and the Department of Environment and Natural Resources may adopt, modify, and repeal rules necessary for the administration of their respective duties under this act. Uniform rules may be jointly adopted where feasible and desirable, and no rule, jointly adopted, may be modified or revoked except upon concurrence of all agencies involved.

(i) Federal Grants and Loans. In order to carry out the purposes of this act to secure the greatest possible benefits to the citizens of this State of the funds appropriated, the State Treasurer, the Local Government Commission, and the Department of Environment and Natural Resources shall adopt rules and criteria, not inconsistent with provisions of this act, as are necessary and appropriate to conform to regulations for federal grants and loans for any of the purposes set forth in this act.

(j) Report by Department of Environment and Natural Resources. The Department of Environment and Natural Resources shall prepare and file each year on or before July 31 with the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division a report for the preceding fiscal year

concerning the allocation and making of loans authorized by this act. The report shall set forth for the preceding fiscal year:

(1) Itemized and total allocations of loans authorized and unallocated funds for the loan program as of the end of the preceding fiscal year;

(2) Identification of each loan agreement entered into by the State during the preceding fiscal year and the total amount of loans authorized by such loan agreements;

(3) The amount disbursed to each local government unit pursuant to such loan agreements during the preceding fiscal year and the total amount of such disbursements;

(4) The loan repayments made by each local government unit pursuant to such loan agreements and the total amount of such loan repayments during the preceding fiscal year; and

(5) A summary for the five preceding years of the information required by subdivisions (1) through (4) of this subsection.

The report shall be signed by the Secretary of Environment and Natural Resources.

(k) Local Government Commission.

(1) Local government units may execute debt instruments payable to the State in order to obtain loans provided for in this act. Local government units shall pledge or agree to apply as security for such obligations:

a. Any available source of revenues of the local government unit, including revenues from benefitted facilities or systems, provided that (i) the local government unit has not otherwise pledged the revenues as security for, or contractually agreed to apply the revenues to, the payment of any other obligations of the local government unit, (ii) the use of the revenues is not otherwise restricted by law, or (iii) the revenues are not derived from the exercise of the local government unit's taxing power; or

b. Their faith and credit; or

c. Any combination of a. or b. above.

The faith and credit of a local government unit shall not be pledged or be deemed to have been pledged unless the requirements of Article 4 of Chapter 159 of the General Statutes have been met. The State Treasurer, with the assistance of the Local Government Commission, shall develop and adopt appropriate debt instruments for use under this act.

(2) Nothing contained in this act shall prohibit any local government unit from applying any funds of the local government unit not otherwise restricted as to use by law to the payment of any debt instrument payable to the State incurred pursuant to the provisions of this act.

(3) The Local Government Commission shall review and approve proposed loans to local government units under this act under the provisions of Articles 4 and 5 of Chapter 159 of the General Statutes. The Local Government Commission in considering the ability of a local government unit to repay a loan may regard as a source of revenue for repayment of a loan revenue sources that

may not be available other than on an annual discretionary basis and that may not be subject to a pledge or agreement to apply. Loans under this act shall be outstanding debts for the purposes of Article 10 of Chapter 159 of the General Statutes.

(4) The State Treasurer shall annually certify to the General Assembly the financial condition of the loan program and identify existing delinquencies.

Section 11. Reports on Grants.

(a) The Rural Economic Development Center shall prepare and file each year on or before July 31 with the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division a report for the preceding fiscal year concerning the allocation and making of grants authorized by this act. The report shall be signed by the Chair of the Board of Directors of the Rural Economic Development Center. The report shall set forth for the preceding fiscal year:

(1) Itemized and total allocations of grants authorized and unallocated funds for the grant program as of the end of the preceding fiscal year;

(2) Identification of each grant agreement entered into by the Rural Economic Development Center during the preceding fiscal year and the total amount of grants authorized by the grant agreements;

(3) The amount disbursed to each local government unit pursuant to the grant agreements during the preceding fiscal year and the total amount of the disbursements; and

(4) A summary for the five preceding years of the information required by subdivisions (1) through (3) of this subsection.

(b) The Department of Environment and Natural Resources shall prepare and file each year on or before July 31 with the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division a report for the preceding fiscal year concerning the allocation and making of grants authorized by this act. The report shall be signed by the Secretary of Environment and Natural Resources. The report shall set forth for the preceding fiscal year:

(1) Itemized and total allocations of grants authorized and unallocated funds for the grant program as of the end of the preceding fiscal year;

(2) Identification of each grant agreement entered into by the Department of Environment and Natural Resources during the preceding fiscal year and the total amount of grants authorized by the grant agreements;

(3) The amount disbursed to each local government unit pursuant to the grant agreements during the preceding fiscal year and the total amount of the disbursements; and

(4) A summary for the five preceding years of the information required by subdivisions (1) through (3) of this subsection.

(c) The Department of Commerce shall prepare and file each year on or before July 31 with the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division a report for the preceding fiscal year concerning the allocation and making of grants authorized by this act. The report shall be signed by the Secretary of Commerce. The report shall set forth for the preceding fiscal year:

(1) Itemized and total allocations of grants authorized and unallocated funds for the grant program as of the end of the preceding fiscal

year;

(2) Identification of each grant agreement entered into by the Department of Commerce during the preceding fiscal year and the total amount of grants authorized by the grant agreements;

(3) The amount disbursed to each local government unit pursuant to the grant agreements during the preceding fiscal year and the total amount of the disbursements; and

(4) A summary for the five preceding years of the information required by subdivisions (1) through (3) of this subsection.

Section 12. Minority business participation. The goals set by G.S. 143-128 for participation in projects by minority businesses apply to projects funded by the proceeds of bonds or notes issued under this act. The Department of Environment and Natural Resources, the Department of Commerce, and the Rural Economic Development Center shall monitor compliance with this requirement and shall report to the General Assembly by January 1 of each year on the participation by minority businesses in these projects.

Section 13. Interpretation of act.

(a) Additional Method. The foregoing sections of this act shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of any powers now existing.

(b) Statutory References. References in this act to specific sections or Chapters of the General Statutes or to specific acts are intended to be references to these sections, Chapters, or acts as they may be amended from time to time by the General Assembly.

(c) Broad Construction. This act, being necessary for the health and welfare of the people of the State, shall be broadly construed to effect the purposes thereof.

(d) Inconsistent Provisions. Insofar as the provisions of this act are inconsistent with the provisions of any general laws, or parts thereof, the provisions of this act shall be controlling.

(e) Severability. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Section 14. Chapter 143 of the General Statutes is amended by adding a new Article to read:

"ARTICLE 72.

"State Infrastructure Council.

"§ 143-690. Council established; purpose; members; terms of office; quorum; compensation; termination.

(a) Establishment. -- There is established the State Infrastructure Council. The Council shall be located within the Department of Environment and Natural Resources for organizational, budgetary, and administrative purposes.

(b) Purpose. -- The purpose of the Council is to develop a State strategic plan that addresses North Carolina's water supply and distribution and wastewater treatment needs.

(c) Membership. -- The Council shall consist of 19 members, five of whom are ex officio and 14 of whom are appointed as follows:

(1) Four persons appointed by the Governor.

(2) Five persons appointed by the President Pro Tempore of the Senate, at least one of whom must be a member of the Senate.

(3) Five persons appointed by the Speaker of the House of Representatives, at least one of whom must be a member of the House of Representatives.

(4) The following persons or their designees, ex officio:

a. The Secretary of Commerce.

b. The Secretary of Environment and Natural Resources.

c. The State Treasurer.

d. The Executive Director of the League of Municipalities.

e. The Executive Director of the North Carolina Association of County Commissioners.

The members appointed to the State Infrastructure Council shall be chosen from among individuals who have the ability and commitment to promote and fulfill the purposes of the Council, including individuals who have demonstrated expertise in the fields of environmental science, particularly the areas of wastewater treatment and water supply and distribution, public planning, public financing, public health, and economic development.

(d) Terms. -- Members shall serve for two-year terms, with no prohibition against being reappointed, except initial appointments shall be for terms as follows:

(1) The Governor shall initially appoint two members for terms of two years and two members for terms of three years.

(2) The President Pro Tempore of the Senate shall initially appoint two members for terms of two years and three members for terms of three years.

(3) The Speaker of the House of Representatives shall initially appoint two members for terms of two years and three members for terms of three years.

Initial terms shall begin on January 1, 1999.

(e) Chair. -- The chair shall be appointed biennially by the Governor from among the membership of the Council. The initial term shall begin on January 1, 1999.

(f) Vacancies. -- A vacancy in the Council or as chair of the Council resulting from the resignation of a member or otherwise shall be filled in the same manner in which the original appointment was made and the term shall be for the balance of the unexpired term.

(g) Compensation. -- The Council members shall receive no salary as a result of serving on the Council but shall receive per diem, subsistence, and travel expenses in accordance with the provisions of G.S. 120-3.1, 138-5, and 138-6, as applicable.

(h) Removal. -- Members may be removed in accordance with G.S. 143B-13 as if that section applied to this Article.

(i) Meetings. -- The chair shall convene the Council. Meetings shall be held as often as necessary, but not fewer than four times a year.

(j) Quorum. -- A majority of the members of the Council shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the members present at meetings of the Council shall be necessary for action to be taken by the Council.

"**§ 143-691. Duties of the Council.**

Duties. -- The Council shall have the following duties:

(1) To plan and develop a State strategic plan that addresses North Carolina's water supply and distribution and wastewater treatment needs.

(2) To evaluate the State's natural resource base and existing water and sewer systems and to project statewide future needs for water and sewer systems.

(3) To analyze current and proposed statutes, rules, and programs that address or affect State water and sewer needs.

(4) To analyze the roles of State and local government and other parties in addressing water and sewer needs and to recommend the appropriate roles for each with regard to addressing future water and sewer needs.

(5) To anticipate the impact of infrastructure development on natural resources and to make recommendations on how to minimize the inpact.

"§ 143-692. Staff and offices.

The Department of Environment and Natural Resources shall provide office space and staff for the State Infrastructure Council as requested by the Council.

"§ 143-693. Council reports.

The Council shall report to the Joint Legislative Commission on Governmental Operations, with a written report to the Fiscal Research Division, by October 1, 1999, and annually thereafter, regarding the implementation of this Article. In its report the Council shall include any recommendations regarding statewide water and sewer needs that require review or action by the General Assembly."

Section 15. G.S. 159G-6 reads as rewritten:

"§ 159G-6. Distribution of funds.

(a) Revolving loans and grants.

(1) All funds appropriated or accruing to the Clean Water Revolving Loan and Grant Fund, other than funds set aside for administrative expenses, shall be used for revolving loans and grants to local government units for construction costs of wastewater treatment works, wastewater collection systems and water supply systems and other assistance as provided in this Chapter.

(2) The maximum principal amount of a revolving loan or a grant may be one hundred percent (100%) of the nonfederal share of the construction costs of any eligible project. The maximum principal amount of revolving loans made to any one local government unit during any fiscal year shall be ~~three~~ eight million dollars ~~($3,000,000).~~ ($8,000,000). The maximum principal amount of grants made to any one local government unit during any fiscal year shall be ~~one~~ three million dollars ~~($1,000,000).~~ ($3,000,000).

(3) The State Treasurer shall be responsible for investing and distributing all funds appropriated or accruing to the Clean Water Revolving Loan and Grant Fund for revolving loans and grants under this Chapter. In fulfilling his or her responsibilities under this section, the State Treasurer shall make a written request to the Department of Environment and Natural Resources to arrange for the appropriated funds to be (i) transferred from the appropriate accounts to a local government unit to provide funds for one or

more revolving loans or grants or (ii) invested as authorized by this Chapter with the interest on and the principal of such investments to be transferred to the local government unit to provide funds for one or more revolving loans or grants.

(b) Wastewater Accounts. -- The sums allocated in G.S. 159G-4 and accruing to the various Wastewater Accounts in each fiscal year shall be used to make revolving loans and grants to local government units as provided below. The Department of Environment and Natural Resources shall disburse no funds from the Wastewater Accounts except upon receipt of written approval of the disbursement from the Environmental Management Commission.

(1) General Wastewater Revolving Loan and Grant Account. -- The funds in the General Wastewater Revolving Loan and Grant Account shall be used exclusively for the purpose of providing for revolving construction loans or grants in connection with approved wastewater treatment work or wastewater collection system projects.

(2) High-Unit Cost Wastewater Account. -- The funds in the High-Unit Cost Wastewater Account shall be available for grants to applicants for high-unit cost wastewater projects. Eligibility of an applicant for such a grant shall be determined by comparing estimated average household user fees for water and sewer service, for debt service and operation and maintenance costs, to one and one- half percent (1.5%) of the median household income in the ~~county~~ local government unit in which the project is located. The projects which would require estimated average household water and sewer user fees greater than one and one-half percent (1.5%) of the median household income are defined as high-unit cost wastewater projects and will be eligible for a grant equal to the excess cost, subject to the limitations in ~~subsection~~ subdivision (a)(2) of this section.

(3) Emergency Wastewater Revolving Loan Account. -- The funds in the Emergency Wastewater Revolving Loan Account shall be available for revolving emergency loans to applicants in the event the Environmental Management Commission certifies that a serious public health hazard, related to the inadequacy of existing wastewater facilities, is present or imminent in a community.

(c) Water Supply Accounts. -- The sums allocated in G.S. 159G- 4 and accruing to the various Water Supply Accounts in each fiscal year shall be used to provide revolving loans and grants to local government units as provided below. The Department of Environment and Natural Resources shall disburse no funds from the Water Supply Accounts except upon receipt of written approval of the disbursement from the Division of Environmental Health.

(1) General Water Supply Revolving Loan and Grant Account. -- The funds in the General Water Supply Revolving Loan and Grant Account shall be used exclusively for the purpose of providing for revolving construction loans and grants in connection with water supply systems generally and not upon a county allotment basis.

(2) High-Unit Cost Water Supply Account. -- The funds in the High-Unit Cost Water Supply Account shall be available for grants to applicants for high-unit cost water supply systems, on the same

basis as provided in G.S. 159G-6(b)(2) for high-unit cost wastewater projects.

(3) Emergency Water Supply Revolving Loan Account. -- The funds in the Emergency Water Supply Revolving Loan Account shall be available for revolving emergency loans to applicants in the event the Division of Environmental Health certifies that a serious public health hazard, related to the water supply system, is present or imminent in a community.

(d) Repealed by Session Laws 1991, c. 186, s. 4.

(e) Notwithstanding any other provision of this Chapter, funds in the Water Pollution Control Revolving Fund shall not be available as grants except to the extent permitted by Title VI of the Federal Water Quality Act of 1987 and the regulations thereunder."

Section 16. The General Assembly finds that:

(1) The General Assembly has previously found that it is the policy of this State to facilitate the extension of natural gas facilities to unserved areas of the State; and

(2) The extension of natural gas facilities to unserved areas of the State is necessary for the health of the people and of the environment; and

(3) The extension of natural gas facilities to unserved areas of the State will aid and encourage the location of manufacturing enterprises and industrial facilities in those areas of the State, will encourage new construction, homes, and other businesses in those areas of the State, will increase the population, taxable property, agricultural industries, and business prospects in the State; and

(4) The 1989 General Assembly in Chapter 338 of the 1989 Session Laws directed the North Carolina Utilities Commission to require the franchised natural gas local distribution companies to file reports with the Commission detailing their plans for providing natural gas service in areas of the State where natural gas service is not available, and directed the Commission and the Public Staff to provide independent analyses and summaries of those reports together with status reports of natural gas service in the State to the Joint Legislative Utility Review Committee; and

(5) The reports of the utilities, the Commission, and the Public Staff indicate that the construction of facilities and the extension of natural gas service in some areas of the State may not be economically feasible with traditional funding methods; and

(6) The 1991 General Assembly enacted G.S. 62-158 and G.S. 62-2(9) authorizing special funding methods, including the use of supplier refunds and customer surcharges, to facilitate the expansion of natural gas service; and

(7) While the 1991 legislation has been successful in providing some natural gas service to previously unserved areas of the State, that legislation has not been sufficient to facilitate the extension of service that is necessary and in the public interest, and there are still counties with no gas service or virtually no gas service; and

(8) It is therefore necessary to authorize additional funding methods, including appropriations from the General Assembly and the

proceeds of general obligation bonds, to further facilitate the expansion of natural gas service.

Section 17. Chapter 62 of the General Statutes is amended by adding a new section to read:

"**§ 62-159. Additional funding for natural gas expansion.**

(a) In order to facilitate the construction of facilities in and the extension of natural gas service to unserved areas, the Commission may provide funding through appropriations from the General Assembly or the proceeds of general obligation bonds as provided in this section to either (i) an existing natural gas local distribution company or (ii) a person or a gas district awarded a new franchise for the construction of natural gas facilities that it otherwise would not be economically feasible for the company, person, or gas district to construct.

(b) The use of funds provided under this section shall be pursuant to an order of the Commission after a public hearing. The Commission shall ensure that all projects for which funds are provided under this section are consistent with the intent of this section and G.S. 62-2(9). In determining whether to approve the use of funds for a particular project pursuant to this section, the Commission shall consider the scope of a proposed project, including the number of unserved counties and the number of anticipated customers that would be served, the total cost of the project, the extent to which the project is considered feasible, and other relevant factors affecting the public interest. In determining economic feasibility, the Commission shall employ the net present value method of analysis on a project specific basis. Only those projects with a negative net present value shall be determined to be economically infeasible for the company, person, or gas district to construct. In no event shall the Commission provide funding under this section of an amount greater than the negative net present value of any proposed project as determined by the Commission. If at any time a project is determined by the Commission to have become economically feasible, the Commission shall require the recipient of funding to remit to the Commission appropriate funds related to the project, and the Commission may order those funds to be returned with interest in a reasonable amount to be determined by the Commission. Funds returned, together with interest, shall be deposited with the State Treasurer to be used for other expansion projects pursuant to the provisions of this section. Utility plant acquired with expansion funds shall be included in the local distribution company's rate base at zero cost except to the extent such funds have been remitted by the company pursuant to order of the Commission. In the event a gas district wishes to sell or otherwise dispose of facilities financed with funds received under this section, it must first notify the Commission which shall determine the method of repayment or accounting for those funds.

(c) To the extent that one or more of the counties included in a proposed project to be funded pursuant to this section are counties affected by the loss of exclusive franchise rights provided for in G.S. 62-36A(b), the Commission may conclude that the public interest requires that the person obtaining the franchise or funding pursuant to this section be given an exclusive franchise and that the existing franchise be canceled. Any new exclusive franchise granted under this subsection shall be subject to the provisions of G.S. 62-36A(b). This subsection does not apply to gas districts formed under Article 28 of Chapter 160A of the General Statutes.

(d) The Commission, after hearing, shall adopt rules to implement this section as soon as practicable. The Commission and Public Staff shall report to the Joint Legislative Utility Review Committee on the use of funding provided under this

section in conjunction with the reports required under G.S. 62- 36A."

Section 18. G.S. 62-2 reads as rewritten:

"**§ 62-2. Declaration of policy.**

(a) Upon investigation, it has been determined that the rates, services and operations of public utilities as defined herein, are affected with the public interest and that the availability of an adequate and reliable supply of electric power and natural gas to the people, economy and government of North Carolina is a matter of public policy. It is hereby declared to be the policy of the State of North Carolina:

(1) To provide fair regulation of public utilities in the interest of the public;

(2) To promote the inherent advantage of regulated public utilities;

(3) To promote adequate, reliable and economical utility service to all of the citizens and residents of the State;

(3a) To assure that resources necessary to meet future growth through the provision of adequate, reliable utility service include use of the entire spectrum of demand-side options, including but not limited to conservation, load management and efficiency programs, as additional sources of energy supply and/or energy demand reductions. To that end, to require energy planning and fixing of rates in a manner to result in the least cost mix of generation and demand-reduction measures which is achievable, including consideration of appropriate rewards to utilities for efficiency and conservation which decrease utility bills;

(4) To provide just and reasonable rates and charges for public utility services without unjust discrimination, undue preferences or advantages, or unfair or destructive competitive practices and consistent with long-term management and conservation of energy resources by avoiding wasteful, uneconomic and inefficient uses of energy;

(4a) To assure that facilities necessary to meet future growth can be financed by the utilities operating in this State on terms which are reasonable and fair to both the customers and existing investors of such utilities; and to that end to authorize fixing of rates in such a manner as to result in lower costs of new facilities and lower rates over the operating lives of such new facilities by making provisions in the rate-making process for the investment of public utilities in plants under construction;

(5) To encourage and promote harmony between public utilities, their users and the environment;

(6) To foster the continued service of public utilities on a well-planned and coordinated basis that is consistent with the level of energy needed for the protection of public health and safety and for the promotion of the general welfare as expressed in the State energy policy;

(7) To seek to adjust the rate of growth of regulated energy supply facilities serving the State to the policy requirements of statewide development;

(8) To cooperate with other states and with the federal government in promoting and coordinating interstate and intrastate public utility service and reliability of public utility energy supply; and

(9) To facilitate the construction of facilities in and the extension of natural gas service to unserved areas in order to promote the public welfare throughout the State and to that end to authorize the creation of ~~an~~ expansion ~~fund~~ funds for ~~each~~ natural gas local distribution ~~company~~ companies or gas districts to be administered under the supervision of the North Carolina Utilities Commission.

(b) To these ends, therefore, authority shall be vested in the North Carolina Utilities Commission to regulate public utilities generally, their rates, services and operations, and their expansion in relation to long-term energy conservation and management policies and statewide development requirements, and in the manner and in accordance with the policies set forth in this Chapter. Nothing in this Chapter shall be construed to imply any extension of Utilities Commission regulatory jurisdiction over any industry or enterprise that is not subject to the regulatory jurisdiction of said Commission.

Because of technological changes in the equipment and facilities now available and needed to provide telephone and telecommunications services, changes in regulatory policies by the federal government, and changes resulting from the court- ordered divestiture of the American Telephone and Telegraph Company, competitive offerings of certain types of telephone and telecommunications services may be in the public interest. Consequently, authority shall be vested in the North Carolina Utilities Commission to allow competitive offerings of local exchange, exchange access, and long distance services by public utilities defined in G.S. 62-3(23)a.6. and certified in accordance with the provisions of G.S. 62-110, and the Commission is further authorized after notice to affected parties and hearing to deregulate or to exempt from regulation under any or all provisions of this Chapter: (i) a service provided by any public utility as defined in G.S. 62-3(23)a.6. upon a finding that such service is competitive and that such deregulation or exemption from regulation is in the public interest; or (ii) a public utility as defined in G.S. 62-3(23)a.6., or a portion of the business of such public utility, upon a finding that the service or business of such public utility is competitive and that such deregulation or exemption from regulation is in the public interest.

The policy and authority stated in this section shall be applicable to common carriers of passengers by motor vehicle and their regulation by the North Carolina Utilities Commission only to the extent that they are consistent with the provisions of the Bus Regulatory Reform Act of 1985.

The North Carolina Utilities Commission may develop regulatory policies to govern the provision of telecommunications services to the public which promote efficiency, technological innovation, economic growth, and permit telecommunications utilities a reasonable opportunity to compete in an emerging competitive environment, giving due regard to consumers, stockholders, and maintenance of reasonably affordable local exchange service and long distance service."

Section 19. Effective date. Sections 14 and 15 of this act become effective only if the voters approve the issuance of the Clean Water Bonds authorized by this act in the election required by Section 7 of this act. The remaining sections of this act are effective when the act becomes law, and the Utilities Commission shall begin immediately the rule-making process mandated by G.S. 62-159(d), as enacted by Section 17 of this act.

The Chair rules the Conference Report to be material and submission constitutes the

first reading of the measure.

The Conference Report is ordered placed on the Calendar for tomorrow, Wednesday, September 2, for adoption, upon second reading.

WITHDRAWAL FROM CALENDAR

S.B. 763 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CREATE THE CRIME VICTIMS' RIGHTS ACT, TO ASSIST VICTIMS OF DOMESTIC VIOLENCE, TO ALLOW THE ENFORCEMENT OF ORDERS FOR RESTITUTION IN CRIMINAL CASES IN THE SAME MANNER AS CIVIL JUDGMENTS, TO CREATE AN EXCEPTION TO THE STATUTORY EXEMPTIONS FOR EXECUTION OF RESTITUTION JUDGMENTS, TO CHANGE THE ORDER OF PRIORITY FOR DISBURSEMENT OF FUNDS IN CRIMINAL CASES, AND TO MAKE CHANGES TO THE CRIME VICTIMS COMPENSATION ACT, placed earlier today on the Calendar for Wednesday, September 2.

Senator Webster offers a motion that the Committee Substitute bill be withdrawn from the Calendar for September 2 and placed before the Senate for immediate consideration.

Senator Webster withdraws his prior motion and the bill remains on the Calendar for tomorrow, Wednesday, September 2, upon third reading.

On motion of Senator Basnight, seconded by Senator Blust, the Senate adjourns at 3:18 P.M. to meet tomorrow, Wednesday, September 2, at 2:00 P.M.

ONE HUNDRED NINETIETH DAY

Senate Chamber
Wednesday, September 2, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Eternal God, Holy Scriptures teach us to love our neighbor as ourselves. We've followed that teaching quite well when it comes to loving our neighbor across the ocean and around the world.

"Lord, help us also figure out how to love the neighbor that resides across the street, and across the hall, and sitting next to us, even when they are disagreeable neighbors. To Your glory we pray, Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Forrester.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Tuesday, September 1, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Margaret Mullinix from

Pittsboro, North Carolina, who is serving the Senate as Nurse of the Day.

REMOVAL OF SEQUENTIAL REFERRAL

H.B. 1737 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE CENTENNIAL CAMPUS AT NORTH CAROLINA STATE UNIVERSITY INCLUDES THE COLLEGE OF VETERINARY MEDICINE, TO CLARIFY THAT THE BOARD OF GOVERNORS HAS THE AUTHORITY TO DESIGNATE THE REAL ESTATE AND APPURTENANT FACILITIES THAT COMPRISE THE CENTENNIAL CAMPUS AT NORTH CAROLINA STATE UNIVERSITY, TO MODIFY THE AUTHORITY OF THE BOARD OF GOVERNORS WITH REGARD TO CERTAIN TYPES OF DISPOSITIONS OF CENTENNIAL CAMPUS PROPERTY, TO EXEMPT CERTAIN REAL ESTATE TRANSACTIONS ON THE CENTENNIAL CAMPUS FROM PAYMENT OF THE STATE LAND SERVICE CHARGE AND TO LIMIT THE NUMBER OF YEARS STATE PROPERTY CAN BE LEASED TO NINETY-NINE YEARS.

Pursuant to Rule 43, Senator Rand, announces that the sequential referral of the Committee Substitute bill to the **Appropriations Committee** is removed.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 78, AN ACT AMENDING THE STATE PERSONNEL ACT TO ESTABLISH JURISDICTION FOR THE HEARING OF STATE EMPLOYEE WORKPLACE HARASSMENT GRIEVANCES BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS AND THE STATE PERSONNEL COMMISSION.

S.B. 1171, AN ACT TO MODIFY BUILDING FOUNDATION SETBACK REQUIREMENTS AND TO ESTABLISH MONITORING REQUIREMENTS FOR WATER SUPPLY WELLS SERVING INSTITUTIONS AND FACILITIES.

H.B. 1327, AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO ALLOW LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE SINGLE-PRIME BIDDING, MULTI-PRIME BIDDING, OR BOTH, FOR CONSTRUCTION PROJECTS OVER FIVE HUNDRED THOUSAND DOLLARS.

H.B. 1477, AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE LEGISLATIVE COMMISSION ON PUBLIC SCHOOLS TO MAKE CHANGES IN LAWS, POLICIES, AND ADMINISTRATION TO IMPROVE THE QUALITY OF EDUCATION AND SAFETY IN THE STATE RESIDENTIAL SCHOOLS, TO IMPLEMENT THE ABC'S PROGRAM IN THE RESIDENTIAL SCHOOLS, TO AUTHORIZE STUDIES OF ISSUES OF CONCERN TO BLIND AND DEAF STUDENTS, TO REQUIRE AN AUDIT OF THE DIVISION OF SERVICES FOR THE DEAF AND HARD OF HEARING, AND TO REQUIRE THE DEVELOPMENT OF A THREE-YEAR PLAN TO ADDRESS THE CAPITAL NEEDS OF THE GOVERNOR MOREHEAD SCHOOL AND THE THREE STATE SCHOOLS FOR THE DEAF.

H.B. 1478, AN ACT TO DIRECT THE DEPARTMENT OF PUBLIC INSTRUCTION TO STUDY AND MAKE RECOMMENDATIONS REGARDING THE REMOVAL OF THE BARRIERS THAT PREVENT LOCAL BOARDS OF EDUCATION FROM PROVIDING YEAR-ROUND SCHOOLS.

H.B. 1617, AN ACT TO EXTEND THE INCOME TAX CREDIT FOR POULTRY COMPOSTING FACILITIES TO CORPORATE ENTITIES AND TO REMOVE THE SUNSET FOR THE INDIVIDUAL INCOME TAX CREDIT.

CHAPTERED BILL

The Enrolling Clerk reports the following bill properly enrolled, assigned the following Chapter Number, and presented to the Office of the Secretary of State:

H.B. 1356, AN ACT TO FACILITATE ELECTRONIC COMMERCE WITH AND BY PUBLIC AGENCIES OF THE STATE OF NORTH CAROLINA BY RECOGNIZING THE VALIDITY OF ELECTRONIC SIGNATURES AND BY AUTHORIZING THE SECRETARY OF STATE TO REGULATE ELECTRONIC SIGNATURES AND CERTIFICATION AUTHORITIES. (Became law upon approval of the Governor, August 31, 1998 - S.L. 1998-127.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Winner for the **Education/Higher Education Committee:**

H.B. 1737 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE CENTENNIAL CAMPUS AT NORTH CAROLINA STATE UNIVERSITY INCLUDES THE COLLEGE OF VETERINARY MEDICINE, TO CLARIFY THAT THE BOARD OF GOVERNORS HAS THE AUTHORITY TO DESIGNATE THE REAL ESTATE AND APPURTENANT FACILITIES THAT COMPRISE THE CENTENNIAL CAMPUS AT NORTH CAROLINA STATE UNIVERSITY, TO MODIFY THE AUTHORITY OF THE BOARD OF GOVERNORS WITH REGARD TO CERTAIN TYPES OF DISPOSITIONS OF CENTENNIAL CAMPUS PROPERTY, TO EXEMPT CERTAIN REAL ESTATE TRANSACTIONS ON THE CENTENNIAL CAMPUS FROM PAYMENT OF THE STATE LAND SERVICE CHARGE AND TO LIMIT THE NUMBER OF YEARS STATE PROPERTY CAN BE LEASED TO NINETY-NINE YEARS, with a favorable report.

With unanimous consent, on motion of Senator Winner, the Committee Substitute bill is re-referred to the **Finance Committee**.

By Senator Hoyle for the **Finance Committee:**

H.B. 1518 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE EAGLE SCOUT SPECIAL REGISTRATION PLATES TO EAGLE SCOUTS OR THEIR PARENTS OR GUARDIANS AND TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE SMALLER REGISTRATION PLATES FOR MOTORCYCLES AND

MOTORCYCLE TRAILERS, with an unfavorable report as to Committee Substitute bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 4215, which changes the title, upon concurrence, to read **H.B. 1518** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE EAGLE SCOUT SPECIAL REGISTRATION PLATES TO EAGLE SCOUTS OR THEIR PARENTS OR GUARDIANS, TO ISSUE GIRL SCOUT GOLD AWARD SPECIAL REGISTRATION PLATES TO RECIPIENTS OF THE GIRL SCOUT GOLD AWARD OR THEIR PARENTS OR GUARDIANS, AND TO ISSUE SMALLER REGISTRATION PLATES FOR MOTORCYCLES AND MOTORCYCLE TRAILERS, is adopted and engrossed.

H.B. 1082 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A NATIVE AMERICAN REGISTRATION PLATE, with an unfavorable report as to Senate Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill No. 2, 3184, which changes the title, upon concurrence to read, **H.B. 1082** (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A NATIVE AMERICAN REGISTRATION PLATE, AND TO ALLOW AN INCREASE IN MEMBERS ON THE NORTH CAROLINA INDIAN HOUSING AUTHORITY, is adopted and engrossed.

By Senator Jenkins for the **Pensions & Retirement and Insurance Committee**:

H.B. 926, A BILL TO BE ENTITLED AN ACT PERTAINING TO PREFERRED PROVIDER CONTRACTS, with an unfavorable report as to bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 2423, which changes the title, upon concurrence, to read **H.B. 926** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS, is adopted and engrossed.

By Senator Rand for the **Rules and Operations of the Senate Committee**:

S.B. 1176, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 4718, which changes the title to read **S.B. 1176** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CUT OFF PER DIEM FOR MEMBERS OF THE GENERAL ASSEMBLY, is adopted and engrossed.

CALENDAR

Bills and a resolution on today's Calendar are taken up and disposed of, as follows:

H.J.R. 1761, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF JEFF HAILEN ENLOE, JR., FORMER MEMBER OF THE GENERAL ASSEMBLY, upon second reading.

With unanimous consent, on motion of Senator Jenkins, the joint resolution is moved to the end of today's Calendar.

S.B. 1277 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE RULES OF CIVIL PROCEDURE, AND TO CLARIFY THE PUBLIC DUTY DOCTRINE AND THE TORT CLAIMS ACT, upon third reading.

With unanimous consent, on motion of Senator Dalton, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, September 9, upon third reading.

S.B. 1360 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW AND TO PROVIDE THAT A MAJORITY OF MEMBERS OF THE ALAMANCE-BURLINGTON BOARD OF EDUCATION SHALL BE ELECTED IN 1998, for concurrence in the House Committee Substitute bill.

With unanimous consent, on motion of Senator Plyler, the House Committee Substitute bill is withdrawn from today's Calendar and placed on the Calendar for Tuesday, September 8.

H.B. 577 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO STRENGTHEN THE REGISTRATION REQUIREMENT FOR FORESTERS, upon second reading.

With unanimous consent, on motion of Senator Albertson, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Thursday, September 3, upon second reading.

H.B. 1318 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO LIMIT THE NONRESIDENT WITHHOLDING REQUIREMENT TO ATHLETES AND ENTERTAINERS, TO INCREASE THE THRESHOLD REQUIREMENT FOR NONRESIDENT WITHHOLDING, AND TO PROVIDE A MECHANISM TO ENHANCE COLLECTION OF TAXES FROM NONRESIDENTS ENGAGED IN CONSTRUCTION-RELATED BUSINESSES, upon second reading.

With unanimous consent, on motion of Senator Kerr, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, September 8, upon second reading.

COMMITTEE REFERRAL RECALL

H.B. 349 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXTEND THE TERRITORIAL JURISDICTION OF THE LEGISLATIVE SERVICES COMMISSION TO ALL OF SALISBURY STREET PROXIMATE TO THE STATE LEGISLATIVE BUILDING, referred to the **Judiciary Committee** on August 11.

Pursuant to Rule 47(a), Senator Cooper offers a motion that the Senate Committee Substitute bill be withdrawn from the **Judiciary Committee** and re-referred to the **Rules and Operations of the Senate Committee**, which motion prevails with unanimous consent.

The Chair orders the Senate Committee Substitute bill withdrawn from the **Judiciary Committee** and refers the measure to the **Rules and Operations of the Senate Committee**.

SPECIAL MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.B. 55 House of Representatives
September 1, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House fails to concur in the Senate Committee Substitute for HB 55, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT SPECIAL PURPLE HEART AWARD REGISTRATION PLATES SHALL BE ISSUED WITHOUT AN ADDITIONAL FEE, TO PROVIDE THAT SURVIVING SPOUSES OF PURPLE HEART PLATEHOLDERS MAY CONTINUE TO BE ISSUED THOSE PLATES, AND TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO DEVELOP A SPECIAL MOTOR VEHICLE PLATE FOR RECIPIENTS OF THE SILVER STAR, and requests conferees. The Speaker has appointed:

Representative Rayfield, Chair;
Representative Warner,
Representative Gardner, and
Representative Dickson

on the part of the House to confer with a like committee appointed by the Senate to the end that the differences arising may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

The following special message is received from the House of Representatives:

H.B. 1371 House of Representatives
September 1, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House fails to concur in the Senate Committee Substitute for HB 1371, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO INCREASE PURCHASING FLEXIBILITY FOR ALL PUBLIC SCHOOLS, and request (sic) conferees. The Speaker has appointed:

Representative Crawford, Chair;
Representative Yongue,
Representative Warner,
Representative Preston, and
Representative Arnold

on the part of the House to confer with a like committee appointed by the Senate to the end that the differences arising may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

CALENDAR *(Continued)*

H.B. 1533 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ENABLE THE COUNTY OF HALIFAX, THE COUNTY OF NORTHAMPTON, AND THE CITY OF ROANOKE RAPIDS TO ESTABLISH AN AIRPORT AUTHORITY FOR THE MAINTENANCE OF REGIONAL AIRPORT FACILITIES, upon second reading.

The Committee Substitute bill passes its second reading by roll-call vote, ayes 47, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Foxx, Garwood, Gulley, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—47.

Voting in the negative: None.

The Committee Substitute bill is ordered placed on the Calendar for tomorrow, Thursday, September 3, upon third reading.

H.B. 1489 (Committee Substitute) A BILL TO BE ENTITLED AN ACT TO IMPROVE COLLECTION OF LOCAL TAXES BY ALLOWING CERTAIN GOVERNMENT OFFICIALS TO SHARE SPECIFIED TAX INFORMATION AND BY ALLOWING A TAXPAYER TO RECEIVE A RELEASE OR REFUND OF PRORATED VEHICLE PROPERTY TAXES IF THE TAXPAYER MOVES OUT-OF-STATE, upon second reading.

The Committee Substitute bill passes its second (47-0) and third readings and is ordered enrolled and sent to the Governor.

H.B. 1502 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE CONSTRUCTION AND THE FINANCING OF CERTAIN CAPITAL IMPROVEMENTS PROJECTS OF THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA, upon second reading.

The Committee Substitute bill passes its second (47-0) and third readings and is ordered enrolled and sent to the Governor.

S.B. 763 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CREATE THE CRIME VICTIMS' RIGHTS ACT, TO ASSIST VICTIMS OF DOMESTIC VIOLENCE, TO ALLOW THE ENFORCEMENT OF ORDERS FOR RESTITUTION IN CRIMINAL CASES IN THE SAME MANNER AS CIVIL JUDGMENTS, TO CREATE AN EXCEPTION TO THE STATUTORY EXEMPTIONS FOR EXECUTION OF RESTITUTION JUDGMENTS, TO CHANGE THE ORDER OF PRIORITY FOR DISBURSEMENT OF FUNDS IN CRIMINAL CASES, AND TO MAKE CHANGES TO THE CRIME VICTIMS COMPENSATION ACT,

upon third reading.

Senator McDaniel offers Amendment No. 3.

Senator Cooper rises to a point of order under Rule 57.1 as to the germaneness of Amendment No. 3 offered by Senator McDaniel.

The Chair rules that Amendment No. 3 offered by Senator McDaniel is not germane to the subject matter of the Committee Substitute bill.

The Committee Substitute bill passes its third reading (48-1) and is ordered engrossed and sent to the House of Representatives.

S.B. 1230 (Conference Report), A BILL TO BE ENTITLED AN ACT TO EXEMPT RACING GASOLINE FROM THE PER GALLON EXCISE TAX, TO CLARIFY THE TAXATION OF KEROSENE, AND TO MAKE OTHER CHANGES IN THE MOTOR FUEL TAX LAWS, for adoption, upon second reading.

On motion of Senator Kerr, the Senate adopts the Conference Report on its second reading by roll-call vote, ayes 47, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Foxx, Garwood, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—47.

Voting in the negative: None.

The Conference Report remains on the Calendar for tomorrow, Thursday, September 3, for adoption, upon third reading.

S.B. 1354 (Conference Report), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS STATEWIDE CRITICAL INFRASTRUCTURE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, AND WATER CONSERVATION AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES, for adoption, upon second reading.

On motion of Senator Kerr, the Senate adopts the Conference Report on its second reading by roll-call vote, ayes, 48, noes 1, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Cochrane, Cooper, Dalton, Dannelly, East, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—48.

Voting in the negative: Senator Clark—1.

The Conference Report remains on the Calendar for tomorrow, Thursday, September 3, for adoption, upon third reading.

H.J.R. 1761, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF JEFF HAILEN ENLOE, JR., FORMER MEMBER OF THE GENERAL ASSEMBLY, upon second reading.

With unanimous consent, on motion of Senator Jenkins, the joint resolution is read in its entirety. Without objection, the President of the Senate orders the remarks of the Senators memorializing the life and memory of Jeff Hailen Enloe, Jr., former member of the General Assembly, spread upon the Journal, as follows:

Senator Jenkins:

"Thank you Mr. President. Ladies and Gentlemen of the Senate, it was indeed an honor and a privilege to know Jeff Enloe and his family. Jeff represented the 53rd House District which is the western most district in the State. He understood, respected and loved his people. Jeff was known as the quiet man from Macon. Indeed his actions spoke louder than his words as evidence by the work in his district for his community colleges and preserving our cultural traditions at places like the John C. Campbell School. Jeff was also a pioneer in distance learning. When schools like Nantahala and Hiwassee Dam did not get courses they needed, Jeff went to work and got satellite TVs sent into those schools. He was a pioneer in that field. On the lighter side, Jeff was an expert at buck dancing or as we call it in the mountains, clogging, and we in the mountains think of that as the State dance, with all apologies to you shaggers and square dancers. Jeff would clog to anything be it classical music, country music, rock and roll, and indeed he tore up the dance floors all over Raleigh, with his wife's permission I might add. He also claimed Abraham Lincoln as an ancestor and, truth be known, there was some scholarly input into this and some folks really think it is true. But when I asked why Jeff was a Democrat and Lincoln was a Republican, Jeff replied, 'Well Lincoln came from the illegitimate side of the family.' Jeff was a good man. He was a faithful servant to the people of Cherokee, Clay, Macon and Graham Counties. He was a wonderful husband, father, grandfather, and friend and in the end that's about the best you can expect to do. North Carolina owes the Enloe family many thanks for sharing Jeff with us. He made a truly lasting impact and we'll miss him. I commend the Resolution to you."

Senator Carpenter:

"Thank you, Mr. President. It is with great pride that I speak favorably to this Resolution. Jeff Enloe was a mountain man and like many of us, he was not only a good friend but also a valued customer. In my case he was a customer of the Bank of First Union all the time that I worked there, too many years to recall. Of all the Enloes apart from Jeff we, my wife Helen and I, we knew his widow, Ruth, his son Bill, and his nephew Robert better than the other descendants. It's heartwarming for us to be close, particularly to Ruth, Bill, and Robert. Bill and Robert just recently paved our driveway there in Franklin. They own the Macon Paving Company which Jeff was a part while he was active and in good health. We think, Helen and I, of all the good times and all the funny stories that always seem to surface about good mountain characters, like Jeff Enloe who served this great State in the Legislature. One of the funny stories, which I'll not tell but it circles about his widow Ruth and the visitors' center over there on Balsam Mountain in Jackson County. He was truly a mountain man with all the antidotes which we associate with the kind of person that Jeff truly exemplified. His humor, determination, his pride in the House, his love and dedication to Liston Ramsey and Charles Beall all illustrated his niche which he coveted during his House of Representatives career in Raleigh. I guess his dedication and support of his friends, particularly Speaker Ramsey, speak out in my mind as the most significant trait in his personality. Jeff was a thoroughly well-rounded, friendly, and resourceful Legislator and he carved into the records his own particular and unique reputation. He's been missed since he left the House in the late 80's and those of us who knew him personally in the Macon Paving

Company, we knew him in the businesses like First Union National Bank. We knew members of his closely knit family and also those people in the North Carolina House of Representatives continue to miss him. So to the family, I say thanks to you for sharing this public servant with all of us. And thanks especially for all the contributions he made to the Legislature and consequently to the State of North Carolina. I urge you all to vote favorably for this House Joint Resolution 1761, honoring the life and memory of Jeff Hailen Enloe, Jr. Thank you."

Senator Rand:

"Thank you, Mr. President, Ladies and Gentlemen of the Senate. I think it is particularly fitting that we celebrate this Resolution on the 84th anniversary of the date of Jeff Enloe's birth. Jeff Enloe was an early pioneer in long-distance learning because when he left Franklin County in the early 1930's to come to Raleigh for his education, that was truly long-distance learning in it's greatest sense. He was a great fellow. He was a great friend and I loved to watch Jeff dance. As Senator Jenkins said, he would dance the same way regardless of the music, but he loved it and he was a treat to be with whether it was working on legislation or after hours or whenever. Jeff Enloe was a great fellow to be with and to enjoy. We will certainly miss him. We do thank his family for allowing him to serve as he did and it's people like Jeff Enloe that make service here the great pleasure that it is. Thank you, Mr. President."

Senator Cooper:

"It was my honor and privilege to serve with Jeff Enloe in the House. My administrative assistant, Susan, worked with Jeff before she worked for me and often told me what a fine man that Jeff was and I certainly knew that with my service with him in the House. I'll always remember his twinkling eyes and his rye smile. He never let you know 100% of what he was thinking but you knew that what he was thinking was trying to improve the lives of people of North Carolina. One thing that I would say about Jeff Enloe, is that truly he was a voice for working people, and he was the embodiment of mountain values. He certainly exhibited those values constantly. It was my privilege to serve with him, he will be greatly missed. My sympathy and all heart-felt sympathy goes to the members of the family. He certainly added credit to this Body."

Senator Basnight:

"Thank you, Mr. President and Members of the Senate. He was a delight to be around, a wonderful person to spend any amount of time with. He was generous in his philosophy that a mountain man knew better than an eastern flatlander would know what was in the best interests of a certain bill. I can remember those conversations we had as we talked and it was rare that we had that chance, but we would talk about the issues that meant something to someone from the east of the mountains cause there seemed to be a lot in common at times, most especially on those issues that build an infrastructure or give some opportunity to advance the cause. You found a lot of likeness in the east and the west but what I enjoyed, I guess as much as anything, was the chance to see him not just dance with his beautiful wife or those who were willing to dance at the time, but I believe it was what they call buck dancing, Tommy, when you dance alone. When there was no other customer on the floor, he was there alone. He was a wonderful man, a great person to know and his generosity will be remembered for a long time to come."

Lieutenant Governor Wicker:

"As many of you have mentioned I, too, had the pleasure and honor of serving with

Jeff Enloe in the House. There are many things that I can recall about Jeff Enloe, whether it was his slow walking and slow talking demeanor or his rich and vast knowledge of western North Carolina or his love for people. He wouldn't tell you about his love for people but if you were around him long enough, you just knew it. It just reeked and came out. When I started thinking about running for statewide office, I went up to the western part of the state and Jeff Enloe took me around for three days all across western North Carolina. And as I reflected upon his death, I wonder how many of us would take that time today and do that. I enjoyed his company immensely. We'd ride down the highway going through those mountains and he would tell me about Chunky Girl Gap or he would tell me about Shooting Creek. He had a unique way of saying he didn't know because I asked him where those names came from and he thought a moment and he looked and he said, 'I don't know, I guess it's some of that Indian folklore stuff.' But that was Jeff Enloe. And I will tell you as we made our way around the western part of the State, it was very obvious and clear to me, that the people in that area deeply respected him and loved him. He was indeed a very special North Carolinian and his life and his memory will etch in my mind and in my heart forever as well as many North Carolinians who knew him."

The joint resolution passes its second reading (46-0) and third reading with Members standing, and is ordered enrolled.

REPORTS OF COMMITTEES *(Continued)*

A standing committee report is submitted out of the regular order of business, a bill is read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Kerr for the **Finance Committee**:

S.B. 1239 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REMOVE THE SUNSET FROM THE QUALIFIED BUSINESS TAX CREDIT AND TO INCREASE THE CAP FROM SIX MILLION DOLLARS TO NINE MILLION DOLLARS, with an unfavorable report as to Committee Substitute bill No. 1, but favorable as to Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Committee Substitute bill No. 2, 8859, which changes the title to read **S.B. 1239** (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO EXEMPT FAMILY FARMS AND FAMILY BUSINESSES FROM INHERITANCE TAXES, is adopted and engrossed.

On motion of Senator Basnight, seconded by Senator Jenkins, the Senate adjourns at 3:01 P.M. to meet tomorrow, Thursday, September 3, at 9:00 A.M.

ONE HUNDRED NINETY-FIRST DAY

Senate Chamber
Thursday, September 3, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear Lord, help us not to lose heart. You know us. We want what we think we want. We hate to wait.

"You know us. Our small corner of the world easily becomes the whole world, our aches and pains the only pain. When we pray, therefore, we mostly pray for ourselves.

"You know us. We attempt to use our faith to get what we want rather than allowing our faith to use us to get what we want. We want the world our way or no way.

"You know us. More than that You love us. Come to us, not as we want You to be, but rather as You truly are -- our Great God, Lord of reconciliation, our Friend, for this is why we do not lose heart. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Forrester and Senator Rucho.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Wednesday, September 2, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Dr. Phillip Gerard Mondi from Pinehurst, North Carolina, who is serving the Senate as Doctor of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 1373, AN ACT TO DISAPPROVE AN ADMINISTRATIVE RULE ADOPTED BY THE ENVIRONMENTAL MANAGEMENT COMMISSION REGARDING THE TAR-PAMLICO RIVER BASIN.

H.B. 1489, AN ACT TO IMPROVE COLLECTION OF LOCAL TAXES BY ALLOWING CERTAIN GOVERNMENT OFFICIALS TO SHARE SPECIFIED TAX INFORMATION AND BY ALLOWING A TAXPAYER TO RECEIVE A RELEASE OR REFUND OF PRORATED VEHICLE PROPERTY TAXES IF THE TAXPAYER MOVES OUT-OF-STATE.

H.B. 1502, AN ACT TO AUTHORIZE THE CONSTRUCTION AND THE FINANCING OF CERTAIN CAPITAL IMPROVEMENTS PROJECTS OF THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA.

The Enrolling Clerk reports the following resolution duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.J.R. 1761, A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF JEFF HAILEN ENLOE, JR., FORMER MEMBER OF THE GENERAL ASSEMBLY. (Res. 45)

COMMITTEE REFERRAL RECALL

H.B. 68 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ANNEX CERTAIN DESCRIBED TERRITORY TO THE TOWN OF LAKE WACCAMAW, referred to the **State Government, Local Government, and Personnel Committee** on March 10, 1998.

Pursuant to Rule 47(a), Senator Miller offers a motion that the Senate Committee Substitute bill be withdrawn from the **State Government, Local Government, and Personnel Committee** and re-referred to the **Finance Committee**, which motion prevails with unanimous consent.

The Chair orders the Senate Committee Substitute bill withdrawn from the **State Government, Local Government, and Personnel Committee** and refers the measure to the **Finance Committee**.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1354 (Conference Report), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS STATEWIDE CRITICAL INFRASTRUCTURE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, AND WATER CONSERVATION AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES, for adoption, upon third reading.

With unanimous consent, on motion of Senator Kerr, the bill is taken up out of its regular order of business and placed before the Senate for immediate consideration.

On motion of Senator Kerr, the Senate adopts the Conference Report on its third reading by roll-call vote, ayes 44, noes 2, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Cochrane, Cooper, Dalton, Dannelly, East, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Guilford, Soles, Weinstein, Wellons, and Winner—44.

Voting in the negative: Senators Clark and Webster—2.

The Chair orders a message sent to the House of Representatives informing that Honorable Body of such action.

H.B. 1533 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ENABLE THE COUNTY OF HALIFAX, THE COUNTY OF NORTHAMPTON, AND THE CITY OF ROANOKE RAPIDS TO ESTABLISH AN AIRPORT AUTHORITY FOR THE MAINTENANCE OF REGIONAL AIRPORT FACILITIES, upon third reading.

The Committee Substitute bill passes its third reading by roll-call vote, ayes 46, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Guilford, Soles, Webster, Weinstein, Wellons, and Winner—46.

Voting in the negative: None.

The Committee Substitute bill is ordered enrolled.

H.B. 577 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO STRENGTHEN THE REGISTRATION REQUIREMENT FOR FORESTERS, upon second reading.

The Senate Committee Substitute bill passes its second reading by roll-call vote, ayes 46, noes 1, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Foxx, Garwood, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—46.

Voting in the negative: Senator Gulley—1.

The Senate Committee Substitute bill is ordered placed on the Calendar for Monday, September 7, upon third reading.

H.B. 1082 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A NATIVE AMERICAN REGISTRATION PLATE, AND TO ALLOW AN INCREASE IN MEMBERS ON THE NORTH CAROLINA INDIAN HOUSING AUTHORITY, upon second reading.

The Senate Committee Substitute bill No. 2 passes its second reading by roll-call vote, ayes 47, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—47.

Voting in the negative: None.

The Senate Committee Substitute bill No. 2 is ordered placed on the Calendar for Monday, September 7, upon third reading.

H.B. 1518 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE EAGLE SCOUT SPECIAL REGISTRATION PLATES TO EAGLE SCOUTS OR THEIR PARENTS OR GUARDIANS, TO ISSUE GIRL SCOUT GOLD AWARD SPECIAL REGISTRATION PLATES TO RECIPIENTS OF THE GIRL SCOUT GOLD AWARD OR THEIR PARENTS OR GUARDIANS, AND TO ISSUE SMALLER REGISTRATION PLATES FOR MOTORCYCLES AND MOTORCYCLE TRAILERS, upon second reading.

The Senate Committee Substitute bill passes its second reading by roll-call vote, ayes 47, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—47.

Voting in the negative: None.

The Senate Committee Substitute bill is ordered placed on the Calendar for Monday, September 7, upon third reading.

S.B. 1176 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CUT OFF PER DIEM FOR MEMBERS OF THE GENERAL ASSEMBLY, upon second reading.

Senator McDaniel offers Amendment No. 1 which is adopted (48-0).

The Committee Substitute bill passes its second (48-0) and third readings and is ordered engrossed and sent to the House of Representatives by special messenger.

The Senate recesses at 9:47 A.M. to reconvene at 9:57 A.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

CALENDAR *(Continued)*

H.B. 926 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS, upon second reading.

With unanimous consent, on motion of Senator Jenkins, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Thursday, September 10, upon second reading.

REPORTS OF COMMITTEES

A standing committee report is submitted out of the regular order of business, a bill is read by its title, together with the report accompanying it, and takes its place on the Calendar as follows:

By Senator Kerr for the **Finance Committee**:

H.B. 68, A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF ROANOKE RAPIDS TO DONATE UNCLAIMED BICYCLES TO CHARITY, with an unfavorable report as to bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 1616, which changes the title, upon concurrence to read **H.B. 68** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ANNEX CERTAIN DESCRIBED TERRITORY TO THE TOWN OF LAKE WACCAMAW, is adopted and engrossed. Upon adoption of the Senate Committee Substitute bill, the bill becomes a roll-call measure.

SPECIAL MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 1230

House of Representatives
September 3, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House has adopted the report of the Conferees on SB 1230, A BILL TO BE ENTITLED AN ACT TO EXEMPT RACING GASOLINE FROM THE PER GALLON EXCISE TAX, TO CLARIFY THE TAXATION OF KEROSENE, AND TO MAKE OTHER CHANGES IN THE MOTOR FUEL TAX LAWS, to the end that when a similar action has been taken on the part of the Senate, you may order the bill enrolled.

Respectfully,
S/Denise Weeks
Principal Clerk

The following special message is received from the House of Representatives:

S.B. 1354

House of Representatives
September 3, 1998

Mr. President:

Pursuant to your message that you have adopted the report of the Conferees on House Committee Substitute for SB 1354, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS STATEWIDE RURAL INFRASTRUCTURE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, AND WATER CONSERVATION AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES, it is ordered that a message be sent to your Honorable Body with the information that the House has adopted the report of the Conferees, and you may order the bill enrolled.

Respectfully,
S/Denise Weeks
Principal Clerk

The President orders the Conference Committee Substitute bill enrolled and sent to the Governor by special messenger.

WITHDRAWAL FROM CALENDAR

H.B. 577 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO

STRENGTHEN THE REGISTRATION REQUIREMENT FOR FORESTERS, placed on the Calendar for Monday, September 7.

Senator Albertson offers a motion that the Senate Committee Substitute bill be withdrawn from the Calendar for Monday, September 7, and placed on the Calendar for Tuesday, September 8, which motion prevails with unanimous consent.

The Chair orders the Senate Committee Substitute bill withdrawn from the Calendar for Monday, September 7, and places it on the Calendar for Tuesday, September 8.

H.B. 68 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ANNEX CERTAIN DESCRIBED TERRITORY TO THE TOWN OF LAKE WACCAMAW, placed on the Calendar Monday, September 7.

Senator Soles offers a motion that the Senate Committee Substitute bill be withdrawn from the Calendar for Monday, September 7, and placed on the Calendar for Tuesday, September 8, which motion prevails with unanimous consent.

The Chair orders the Senate Committee Substitute bill withdrawn from the Calendar for Monday, September 7, and places it on the Calendar for Tuesday, September 8.

H.B. 1082 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A NATIVE AMERICAN REGISTRATION PLATE, AND TO ALLOW AN INCREASE IN MEMBERS ON THE NORTH CAROLINA INDIAN HOUSING AUTHORITY, placed on the Calendar Monday, September 7.

Senator Kerr offers a motion that the Senate Committee Substitute bill No. 2 be withdrawn from the Calendar for Monday, September 7, and placed on the Calendar for Tuesday, September 8, which motion prevails with unanimous consent.

The Chair orders the Senate Committee Substitute bill No. 2 withdrawn from the Calendar for Monday, September 7, and places it on the Calendar for Tuesday, September 8.

H.B. 1518 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE EAGLE SCOUT SPECIAL REGISTRATION PLATES TO EAGLE SCOUTS OR THEIR PARENTS OR GUARDIANS, TO ISSUE GIRL SCOUT GOLD AWARD SPECIAL REGISTRATION PLATES TO RECIPIENTS OF THE GIRL SCOUT GOLD AWARD OR THEIR PARENTS OR GUARDIANS, AND TO ISSUE SMALLER REGISTRATION PLATES FOR MOTORCYCLES AND MOTORCYCLE TRAILERS, placed on the Calendar Monday, September 7.

Senator Kerr offers a motion that the Senate Committee Substitute bill be withdrawn from the Calendar for Monday, September 7, and placed on the Calendar for Tuesday, September 8, which motion prevails with unanimous consent.

The Chair orders the Senate Committee Substitute bill withdrawn from the Calendar for Monday, September 7, and places it on the Calendar for Tuesday, September 8.

REPORTS OF COMMITTEES *(Continued)*

A standing committee report is submitted out of the regular order of business, a bill is read by its title, together with the report accompanying it, and takes its place on the Calendar as follows:

By Senator Rand for the **Rules and Operations of the Senate Committee**:

H.B. 349 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXTEND THE TERRITORIAL JURISDICTION OF THE LEGISLATIVE SERVICES COMMISSION TO ALL OF SALISBURY STREET PROXIMATE TO THE STATE LEGISLATIVE BUILDING, with an unfavorable report as to Senate Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill No. 2, 2424, which changes the title, upon concurrence, to read **H.B. 349** (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO EXTEND THE TERRITORIAL JURISDICTION OF THE LEGISLATIVE SERVICES COMMISSION TO ALL OF JONES, WILMINGTON, AND SALISBURY STREETS PROXIMATE TO THE STATE LEGISLATIVE BUILDING, AND TO THE BRICK WALKWAY PROXIMATE TO THE LEGISLATIVE OFFICE BUILDING, is adopted and engrossed.

With unanimous consent, on motion of Senator Rand, the Senate Committee Substitute bill No. 2 is placed on the Calendar for Tuesday, September 8, upon second reading.

The President grants a leave of absence for the remainder of today's Session to Senator Ballance.

S.B. 1239 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO EXEMPT FAMILY FARMS AND FAMILY BUSINESSES FROM INHERITANCE TAXES, upon second reading.

Senator Webster rises to a point of order under Senate Rule 57.1 as to the germaneness of Committee Substitute bill No. 2 to the original subject matter of the bill.

The Chair rules that Committee Substitute bill No. 2 is germane to the original subject matter of the bill.

Senator Hoyle calls the previous question on second and third readings, seconded by Senator Rand. The call is sustained (28-19).

Senator Webster offers a motion that Committee Substitute bill No. 2 do lie upon the table, seconded by Senator Ballantine.

The motion that Committee Substitute bill No. 2 do lie upon the table fails to prevail (18-29). The question before the Senate becomes the passage of Committee Substitute bill No. 2, upon second reading.

The Committee Substitute bill No. 2 passes its second reading (45-2).

Senator Webster objects to the third reading of the measure.

Without objection, Senator Rand offers a motion that the Committee Substitute bill No. 2 be placed on the Calendar for Tuesday, September 8, upon third reading.

Senator McDaniel, having voted in the majority on second reading, offers a motion that the vote by which Committee Substitute bill No. 2 passed its second reading be reconsidered.

Senator Hoyle offers a motion that the motion to reconsider the vote on second reading do lie upon the table, seconded by Senator Rand.

Senator Webster offers a motion that the Senate adjourn, seconded by Senator McDaniel. A division is called on the motion to adjourn and the motion fails to prevail (17-29).

The motion offered by Senator Hoyle that the motion to reconsider the vote on second reading do lie upon the table prevails (28-18). The President orders the measure placed

on the Calendar for Tuesday, September 8, upon third reading.

On motion of Senator Basnight, seconded by Senator Kerr, the Senate adjourns at 11:03 A.M. subject to ratification of bills and messages from the House of Representatives, to meet Monday, September 7, at 7:00 P.M.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 1354, AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS STATEWIDE CRITICAL INFRASTRUCTURE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, AND WATER CONSERVATION AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

A special message received in the Office of the Principal Clerk from the House of Representatives a bill is presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1514, A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF HEMBY BRIDGE, for concurrence in House Committee Substitute bill No. 2, which changes the title, upon concurrence, to read **S.B. 1514** (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF HEMBY BRIDGE, AND CONCERNING THE ANNEXATION IN HARNETT COUNTY, which is placed on the Calendar for Tuesday, September 8.

The Senate adjourns at 11:07 A.M.

ONE HUNDRED NINETY-SECOND DAY

Senate Chamber
Monday, September 7, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Marc Basnight, President *Pro Tempore*, who presides in the absence of the Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, I am reminded today of a Pastor friend who, on the Sunday of Labor Day weekend, encourages his congregation to come to church dressed in their work clothes, a kind of celebration of vocation. Though we are grateful for our jobs, statistics show 60% of us find some difficulty in our 'calling' to work. My friend must preach to a distracted congregation. As this Legislative Session continues, I suspect the Senators and staff may be counted in that 60%.

"The reality is, Oh God, that at the end of every day, if we were to document in ledger form what we have done that seems worthwhile against all the mundane, meaningless tasks of that day, the ledger would list heavily toward the latter.

"In response to that feeling of frustration someone has said, 'Almost everything we do will be insignificant, but it is very important that we do it!'

" 'Well done good and faithful servant', You say. 'You having been faithful over a little, I will set you over much.' We thank You for that promise on this Labor Day. Amen."

With unanimous consent, the President *Pro Tempore* grants leaves of absence for tonight to Senator Carpenter, Senator Horton, Senator Lee, Senator Martin of Guilford, and Senator Winner.

Senator Rand announces the Journal of Thursday, September 3, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

APPOINTMENT OF CONFERENCE COMMITTEES

H.B. 55 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE FEE FOR PURPLE HEART REGISTRATION PLATES, TO REQUIRE THE DIVISION OF MOTOR VEHICLES TO REDESIGN THE PURPLE HEART PLATE, AND TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A SPECIAL REGISTRATION PLATE TO A RECIPIENT OF THE SILVER STAR AND TO A RECIPIENT OF THE BRONZE STAR.

Pursuant to the receipt of a message from the House of Representatives on Wednesday, September 2 that the House fails to concur in the Senate Committee Substitute for H.B. 55 and requests conferees, Senator Rand offers a motion that the Senate appoint Conferees, which motion prevails.

Senator Rand announces the appointments made by the President *Pro Tempore* of Senator Rand, Chairman, and Senator Carrington, Senator Hoyle, Senator Kerr, Senator Perdue, and Senator Shaw of Cumberland as Conferees on the part of the Senate to act with a like committee from the House of Representatives to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

APPOINTMENT OF CONFERENCE COMMITTEE

H.B. 1371 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO INCREASE PURCHASING FLEXIBILITY FOR ALL PUBLIC SCHOOLS.

Pursuant to the message received from the House of Representatives on Wednesday, September 2, that the House fails to concur in the Senate Committee Substitute for

H.B. 1371 and requests conferees, Senator Rand offers a motion that the Senate appoint conferees, which motion prevails.

Senator Rand announces the appointments made by the President *Pro Tempore* of Senator Dalton, Chairman, and Senators Lee, Rucho, and Winner as conferees on the part of the Senate to act with a like committee from the House of Representatives to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

CALENDAR

A bill on the Calendar carried forward as unfinished business from Thursday, September 3, is taken up and disposed of as follows:

S.B. 1230 (Conference Report), A BILL TO BE ENTITLED AN ACT TO CLARIFY THE TAXATION OF KEROSENE AND TO MAKE OTHER CHANGES IN THE MOTOR FUEL TAX LAWS, for adoption, upon third reading.

With unanimous consent, on motion of Senator Kerr, the Conference Report is withdrawn from tonight's Calendar and is placed on the Calendar for Tuesday, September 8, for adoption, upon third reading.

VOTE CHANGE

S.B. 1239 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO EXEMPT FAMILY FARMS AND FAMILY BUSINESSES FROM INHERITANCE TAXES.

Senator Kinnaird requests that she be allowed to change her vote on second reading on SB 1239 on Thursday, September 3, from "no" to "aye".

Without objection, the President *Pro Tempore* orders the record to reflect a corrected vote of 46-1.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1242 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A WIRELESS ENHANCED 911 SYSTEM FOR THE USE OF CELLULAR, PERSONAL COMMUNICATIONS SERVICE, AND OTHER WIRELESS TELEPHONE CUSTOMERS, AS RECOMMENDED BY THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE, AND TO ALLOW STATE AGENCIES TO LEASE PUBLIC PROPERTY FOR THE CONSTRUCTION OF WIRELESS COMMUNICATIONS TOWERS AND TO ENCOURAGE CO-LOCATION OF SERVICES TO THOSE TOWERS, AND TO MAKE A TECHNICAL CORRECTION TO G.S. 62A-10, for concurrence in House Committee Substitute bill No.2, which is placed on the Calendar for tomorrow, Tuesday, September 8.

H.B. 1332 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF GREENVILLE TO UNDERTAKE ONE DOWNTOWN DEVELOPMENT PROJECT SUBJECT TO CERTAIN CONDITIONS.

Referred to **State Government, Local Government, and Personnel Committee**.

H.B. 1402 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO DISAPPROVE 15A NCAC 2B.0233 (THE NEUSE RIVER NUTRIENT SENSITIVE WATERS MANAGEMENT STRATEGY) AS A PERMANENT RULE, TO CONTINUE 15A NCAC 2B.0233 IN EFFECT AS A TEMPORARY RULE, TO SPECIFY HOW THE TEMPORARY RULE IS TO BE IMPLEMENTED, TO REQUIRE THE ENVIRONMENTAL MANAGEMENT COMMISSION (EMC) TO ADOPT RULES TO PROVIDE ALTERNATIVES TO MAINTAINING RIPARIAN BUFFERS AND TO ESTABLISH COMPENSATORY MITIGATION FEES, TO ESTABLISH THE RIPARIAN BUFFER RESTORATION FUND, TO REQUIRE THE EMC TO ADOPT RULES TO PROVIDE FOR DELEGATION OF THE RIPARIAN BUFFER PROGRAM TO UNITS OF LOCAL GOVERNMENT THAT SEEK SUCH DELEGATION, TO RECOGNIZE VESTED DEVELOPMENT RIGHTS, TO REQUIRE THE EMC TO REVISE THE TEMPORARY RULE CONTINUED IN EFFECT BY THIS ACT AND TO ADOPT A REVISED PERMANENT RULE WITH THE ASSISTANCE OF A STAKEHOLDER ADVISORY COMMITTEE, TO PROVIDE THAT EROSION CONTROL PLANS WILL BE CONSISTENT WITH RIPARIAN BUFFER REQUIREMENTS, TO REQUIRE THE EMC TO ESTABLISH A RIPARIAN BUFFER MAINTENANCE AND RESTORATION GOAL, TO AUTHORIZE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO ACCEPT DONATIONS OF REAL PROPERTY, TO PROVIDE FOR PERIODIC REVIEW OF THE IMPLEMENTATION OF THE NEUSE RIVER NUTRIENT SENSITIVE WATERS MANAGEMENT STRATEGY AND REPORTS TO THE ENVIRONMENTAL REVIEW COMMISSION, AND TO AUTHORIZE THE EMC TO ADOPT TEMPORARY RULES TO IMPLEMENT THIS ACT.

Referred to **Agriculture/Environment/Natural Resources Committee**.

H.B. 1483 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXPEDITE THE CLOSURE OF LOW RISK LEAKING PETROLEUM UNDERGROUND STORAGE TANK CLEANUPS BY ALLOWING THE COST OF OBTAINING THE ADDITIONAL INFORMATION REQUIRED TO ASSESS THE RISK OF RELEASES REPORTED PRIOR TO THE EFFECTIVE DATE OF THE RISK ASSESSMENT RULES TO BE PAID FROM THE COMMERCIAL FUND OR THE NONCOMMERCIAL FUND UNDER CERTAIN CIRCUMSTANCES, TO PROVIDE THAT THE COST OF CONNECTING THIRD PARTIES TO PUBLIC WATER SYSTEMS MAY BE PAID FROM THE COMMERCIAL FUND OR THE NONCOMMERCIAL FUND UNDER CERTAIN CIRCUMSTANCES, TO MAKE LANDOWNERS ELIGIBLE FOR REIMBURSEMENT OF CLEAN UP COSTS FROM THE NONCOMMERCIAL FUND UNDER CERTAIN CIRCUMSTANCES, TO AUTHORIZE THE ENVIRONMENTAL MANAGEMENT COMMISSION TO REQUIRE THAT ASSESSMENT AND CLEANUP TASKS AND COSTS BE PREAPPROVED BEFORE WORK PROCEEDS, TO MAKE PETROLEUM COMMERCIAL UNDERGROUND STORAGE TANK OPERATING PERMITS SUBJECT TO ADDITIONAL FEDERAL REQUIREMENTS APPLICABLE IN 1998, TO PROVIDE FOR ASSIGNMENT OF PAYMENTS FROM THE COMMERCIAL FUND AND THE NONCOMMERCIAL FUND, TO ESTABLISH A DE MINIMIS REPORTING REQUIREMENT FOR PETROLEUM UNDERGROUND STORAGE TANK SPILLS AND OVERFILLS OF LESS THAN TWENTY-FIVE GALLONS THAT ARE CLEANED UP WITHIN TWENTY-FOUR HOURS, TO PROVIDE THAT

FEDERAL LIMITATIONS ON LENDER LIABILITY APPLY TO THE LEAKING PETROLEUM UNDERGROUND STORAGE TANK CLEANUP PROGRAM, TO PROVIDE THAT RULES APPLICABLE TO COMMERCIAL UNDERGROUND STORAGE TANKS DO NOT APPLY TO CERTAIN TANKS, AND TO MAKE RELATED CONFORMING AND TECHNICAL AMENDMENTS.

Referred to **Agriculture/Environment/Natural Resources Committee**.

H.B. 1490, A BILL TO BE ENTITLED AN ACT TO EXTEND THE TIME FOR THE RESOLUTION OF CLAIMS TO LAND UNDER NAVIGABLE WATERS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Agriculture/Environment/Natural Resources Committee**.

H.B. 1491 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE REQUIREMENT THAT AN INDIVIDUAL INCOME TAXPAYER ADD BACK TO TAXABLE INCOME THE FAIR MARKET VALUE OF REAL PROPERTY DONATED FOR CONSERVATION PURPOSES IN ORDER TO CLAIM THE INCOME TAX CREDIT FOR THE DONATION OF THAT PROPERTY AND TO INCREASE THE MAXIMUM TAX CREDIT THAT MAY BE CLAIMED BY A CORPORATION AND BY AN INDIVIDUAL FOR A DONATION OF REAL PROPERTY FOR CONSERVATION PURPOSES.

Referred to **Finance Committee**.

On motion of Senator Rand, seconded by Senator Blust, the Senate adjourns at 7:20 P.M. to meet tomorrow, Tuesday, September 8, at 2:00 P.M.

ONE HUNDRED NINETY-THIRD DAY

Senate Chamber
Tuesday, September 8, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, a congregation had had some experiences in the Depression that made them very cautious about going into debt. They needed to add some Sunday School rooms and put a steeple and a bell on the church, but they had agreed that they wouldn't start until they had enough money to pay for the whole job. They were quite proud of the money they had already raised, but the last of it was slow coming in, and they were becoming discouraged.

"Their preacher said, 'Well, I can tell you, brothers and sisters, it's time to roll up our sleeves. You know, there are just two ways to climb an oak tree. You can wrap your arms and legs around that rough, scaly bark, and work at it; and when you get to the top, you may have lost a little of your hide, but the view will be pretty, and you'll be proud you're up there.'

" 'Or,' he said, 'you can plant an acorn and sit on it.' Those of us who have ears to hear, let us hear. Amen." (Mountain Preacher Stories, Ben C. Fisher)

With unanimous consent, the President grants leaves of absence for today to Senator Garwood, Senator Hartsell, Senator Moore, Senator Shaw of Cumberland, and Senator Winner.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Monday, September 7, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Janet Joyner from Greenville, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.B. 1533, AN ACT TO ENABLE THE COUNTY OF HALIFAX, THE COUNTY OF NORTHAMPTON, AND THE CITY OF ROANOKE RAPIDS TO ESTABLISH AN AIRPORT AUTHORITY FOR THE MAINTENANCE OF REGIONAL AIRPORT FACILITIES.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1260 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO DEVELOP A PLAN OF REORGANIZATION FOR THE TRANSFER OF THE DIVISION OF YOUTH SERVICES OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE DIVISION OF JUVENILE SERVICES OF THE ADMINISTRATIVE OFFICE OF THE COURTS TO THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY, TO AMEND AND RECODIFY THE NORTH CAROLINA JUVENILE CODE, AND TO CONFORM THE GENERAL STATUTES TO THE RECODIFICATION OF THE JUVENILE CODE, AS RECOMMENDED BY THE COMMISSION ON JUVENILE CRIME AND JUSTICE, for concurrence in House Committee Substitute bill No. 2, which is placed on the Calendar for tomorrow, Wednesday, September 9.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 68 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ANNEX CERTAIN DESCRIBED TERRITORY TO THE TOWN OF LAKE WACCAMAW, upon second reading.

The Senate Committee Substitute bill passes its second reading by roll-call vote, ayes 36, noes 2, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Ballantine, Basnight, Blust, Carpenter, Clark, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Hoyle, Jordan, Kerr,

Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Odom, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—36.

Voting in the negative: Senators Cochrane and McDaniel—2.

The Senate Committee Substitute bill is ordered placed on the Calendar for tomorrow, Wednesday, September 9, upon third reading.

S.B. 1514 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF HEMBY BRIDGE, AND CONCERNING ANNEXATION IN HARNETT COUNTY, for concurrence in House Committee Substitute bill No. 2, upon second reading.

With unanimous consent, on motion of Senator Plyler, the House Committee Substitute bill No. 2 is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, September 9, for concurrence.

S.B. 1360 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW AND TO PROVIDE THAT A MAJORITY OF MEMBERS OF THE ALAMANCE-BURLINGTON BOARD OF EDUCATION SHALL BE ELECTED IN 1998, for concurrence in the House Committee Substitute bill.

With unanimous consent, on motion of Senator Plyler, the House Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, September 9, for concurrence.

H.B. 577 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO STRENGTHEN THE REGISTRATION REQUIREMENT FOR FORESTERS, upon third reading.

The Senate Committee Substitute bill passes its third reading by roll-call vote, ayes 39, noes 1, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Guilford, Soles, Webster, Weinstein, and Wellons—39.

Voting in the negative: Senator Gulley—1.

The Senate Committee Substitute bill is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 1082 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A NATIVE AMERICAN REGISTRATION PLATE, AND TO ALLOW AN INCREASE IN MEMBERS ON THE NORTH CAROLINA INDIAN HOUSING AUTHORITY, upon third reading.

The Senate Committee Substitute bill No. 2 passes its third reading by roll-call vote, ayes 44, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Gulley, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Page, Phillips, Plyler,

Purcell, Rand, Reeves, Rucho, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—44.

Voting in the negative: None.

The Senate Committee Substitute bill No. 2 is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute No. 2.

H.B. 1518 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE EAGLE SCOUT SPECIAL REGISTRATION PLATES TO EAGLE SCOUTS OR THEIR PARENTS OR GUARDIANS, TO ISSUE GIRL SCOUT GOLD AWARD SPECIAL REGISTRATION PLATES TO RECIPIENTS OF THE GIRL SCOUT GOLD AWARD OR THEIR PARENTS OR GUARDIANS, AND TO ISSUE SMALLER REGISTRATION PLATES FOR MOTORCYCLES AND MOTORCYCLE TRAILERS, upon third reading.

With unanimous consent, on motion of Senator Reeves, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, September 9, upon third reading.

H.B. 1318 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO LIMIT THE NONRESIDENT WITHHOLDING REQUIREMENT TO ATHLETES AND ENTERTAINERS, TO INCREASE THE THRESHOLD REQUIREMENT FOR NONRESIDENT WITHHOLDING, AND TO PROVIDE A MECHANISM TO ENHANCE COLLECTION OF TAXES FROM NONRESIDENTS ENGAGED IN CONSTRUCTION-RELATED BUSINESSES, upon second reading.

The Senate Committee Substitute bill passes its second reading by roll-call vote, ayes 45, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Gulley, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—45.

Voting in the negative: None.

The Senate Committee Substitute bill is ordered placed on the Calendar for tomorrow, Wednesday, September 9, upon third reading.

H.B. 349 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO EXTEND THE TERRITORIAL JURISDICTION OF THE LEGISLATIVE SERVICES COMMISSION TO ALL OF JONES, WILMINGTON, AND SALISBURY STREETS PROXIMATE TO THE STATE LEGISLATIVE BUILDING, AND TO THE BRICK WALKWAY PROXIMATE TO THE LEGISLATIVE OFFICE BUILDING, upon second reading.

The Senate Committee Substitute bill No. 2 passes its second (45-0) and third readings and is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill No. 2.

WITHDRAWAL FROM CALENDAR

S.B. 1260 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO DEVELOP A PLAN OF REORGANIZATION FOR THE TRANSFER OF

THE DIVISION OF YOUTH SERVICES OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE DIVISION OF JUVENILE SERVICES OF THE ADMINISTRATIVE OFFICE OF THE COURTS TO THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY, TO AMEND AND RECODIFY THE NORTH CAROLINA JUVENILE CODE, AND TO CONFORM THE GENERAL STATUTES TO THE RECODIFICATION OF THE JUVENILE CODE, AS RECOMMENDED BY THE COMMISSION ON JUVENILE CRIME AND JUSTICE, placed on the Calendar for Wednesday, September 9.

Senator Cooper offers a motion that the House Committee Substitute bill No. 2 be withdrawn from the Calendar for Wednesday, September 9, and placed on the Calendar for today, Tuesday, September 8.

Senator Cooper subsequently withdraws his motion, and the House Committee Substitute bill No. 2 is placed on the Calendar for Wednesday, September 9.

CALENDAR *(Continued)*

S.B. 1239 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO EXEMPT FAMILY FARMS AND FAMILY BUSINESSES FROM INHERITANCE TAXES, upon third reading.

The Committee Substitute bill No. 2 passes its third reading (44-1) and is ordered sent to the House of Representatives.

S.B. 1242 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A WIRELESS ENHANCED 911 SYSTEM FOR THE USE OF CELLULAR, PERSONAL COMMUNICATIONS SERVICE, AND OTHER WIRELESS TELEPHONE CUSTOMERS, AS RECOMMENDED BY THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE, AND TO ALLOW STATE AGENCIES TO LEASE PUBLIC PROPERTY FOR THE CONSTRUCTION OF WIRELESS COMMUNICATIONS TOWERS AND TO ENCOURAGE CO-LOCATION OF SERVICES TO THOSE TOWERS, AND TO MAKE A TECHNICAL CORRECTION TO G.S. 62A-10, for concurrence in the House Committee Substitute bill No. 2, upon second reading.

The Senate concurs in the House Committee Substitute bill No. 2 on its second reading by roll-call vote, ayes 44, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Gulley, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Soles, Warren, Webster, Weinstein, and Wellons—44.

Voting in the negative: None.

The House Committee Substitute bill No. 2 remains on the Calendar for tomorrow, Wednesday, September 9, upon third reading.

S.B. 1230 (Conference Report), A BILL TO BE ENTITLED AN ACT TO CLARIFY THE TAXATION OF KEROSENE AND TO MAKE OTHER CHANGES IN THE MOTOR FUEL TAX LAWS, for adoption, upon third reading.

On motion of Senator Kerr, the Senate adopts the Conference Report on its third reading by roll-call vote, ayes 45, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester,

Foxx, Gulley, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—45.

Voting in the negative: None.

Pursuant to receipt of a message from the House of Representatives on September 3 that the House adopts the Conference Report on S.B. 1230, the President orders the bill enrolled and sent to the Governor.

REPORT OF COMMITTEE

Bills are reported from a standing committee, read by their titles, together with the report accompanying them, and take their place on the Calendar, as follows:

By Senator Miller for the **State Government, Local Government, and Personnel Committee:**

S.B. 1539 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW CITIES TO REQUIRE THAT A FOOD OR RETAIL BUSINESS THAT HOLDS AN ABC PERMIT AND IS LOCATED IN AN URBAN REDEVELOPMENT AREA OR WITHIN FIFTEEN HUNDRED FEET OF A SCHOOL OR CHILD CARE CENTER SHALL ONLY BE OPERATED WITH A SPECIAL USE PERMIT OR CONDITIONAL USE PERMIT, with an unfavorable report as to Committee Substitute bill No. 1, but favorable as to Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Committee Substitute bill No. 2, 9616, which changes the title to read **S.B. 1539** (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO REQUIRE THAT A FOOD OR RETAIL BUSINESS THAT HOLDS AN ABC PERMIT AND IS LOCATED IN AN URBAN REDEVELOPMENT AREA OR WITHIN FIFTEEN HUNDRED FEET OF A HIGH SCHOOL SHALL NOT HAVE ALCOHOLIC BEVERAGE SALES IN EXCESS OF FIFTY PERCENT OF THE BUSINESS'S TOTAL ANNUAL SALES, is adopted and engrossed.

H.B. 1114 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ASSESS A FEE OF FIFTY DOLLARS FOR WORTHLESS CHECKS COLLECTED THROUGH THE BAD CHECK COLLECTION PROGRAM, with an unfavorable report as to Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 2419, which changes the title, upon concurrence, to read **H.B. 1114** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PROVIDING THAT CERTAIN LOCAL GOVERNMENTS MAINTAIN THE SWIFT CREEK MANAGEMENT PLAN AS AGREED TO BY THOSE JURISDICTIONS, is adopted and engrossed.

COMMITTEE REFERRAL RECALL

H.B. 1342 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND AND CLARIFY THE RENUNCIATION OF PROPERTY AND RENUNCIATION OF FIDUCIARY POWERS ACT, referred to the **Commerce Committee** on August 27.

Pursuant to Rule 47(a), Senator Soles offers a motion that the Committee Substitute

bill be withdrawn from the **Commerce Committee** and placed on the Calendar for Wednesday, September 9, which motion prevails with unanimous consent.

The Chair orders the Committee Substitute bill withdrawn from the **Commerce Committee** and placed on the Calendar for Wednesday, September 9.

On motion of Senator Basnight, seconded by Senator Carrington, the Senate adjourns at 2:45 P.M. to meet tomorrow, Wednesday, September 9, at 2:00 P.M.

ONE HUNDRED NINETY-FOURTH DAY

Senate Chamber
Wednesday, September 9, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Almighty God, sometimes we feel like strangers in our own land. We want to follow You, we try to do what's right, yet others look at us as if we were very strange, even act hostile toward us.

"Sometimes the decisions You ask us to make are not popular, that's why we come before You in prayer.

"Give us strength and courage when we want to conform. Give us hope when we face failure. Give us a willingness to go against the grain, to suffer for righteousness sake, to brave the crowd and do what is right, no matter what the cost. For Your sake, Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Hartsell, Senator Odom, Senator Page, and Senator Rucho.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Tuesday, September 8, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President extends courtesies of the Gallery to Nancy Mazza, President of the North Carolina Federation of Republican Women, and other members of the Federation.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 1230, AN ACT TO CLARIFY THE TAXATION OF KEROSENE, AND TO MAKE OTHER CHANGES IN THE MOTOR FUEL TAX LAWS.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the

following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1094, AN ACT TO REPEAL OBSOLETE OR PREEMPTED PROVISIONS OF THE GENERAL STATUTES AFFECTING RAILROADS, TO RECODIFY CERTAIN RAILROAD STATUTES, AND TO MAKE CONFORMING CHANGES AND CLARIFYING CHANGES. (Became law upon approval of the Governor, September 4, 1998 - S.L. 1998-128.)

S.B. 1269, AN ACT TO EXTEND BY ONE YEAR THE DATE BY WHICH WELL CONTRACTORS MUST BE CERTIFIED UNDER THE NORTH CAROLINA WELL CONTRACTORS CERTIFICATION ACT AND TO EXTEND THE TIME FOR THE ADOPTION OF RULES BY THE WELL CONTRACTORS CERTIFICATION COMMISSION, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION. (Became law upon approval of the Governor, September 4, 1998 - S.L. 1998-129.)

H.B. 1533, AN ACT TO ENABLE THE COUNTY OF HALIFAX, THE COUNTY OF NORTHAMPTON, AND THE CITY OF ROANOKE RAPIDS TO ESTABLISH AN AIRPORT AUTHORITY FOR THE MAINTENANCE OF REGIONAL AIRPORT FACILITIES. (Became law upon ratification, September 8, 1998 - S.L. 1998-130.)

H.B. 1477, AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE LEGISLATIVE COMMISSION ON PUBLIC SCHOOLS TO MAKE CHANGES IN LAWS, POLICIES, AND ADMINISTRATION TO IMPROVE THE QUALITY OF EDUCATION AND SAFETY IN THE STATE RESIDENTIAL SCHOOLS, TO IMPLEMENT THE ABC'S PROGRAM IN THE RESIDENTIAL SCHOOLS, TO AUTHORIZE STUDIES OF ISSUES OF CONCERN TO BLIND AND DEAF STUDENTS, TO REQUIRE AN AUDIT OF THE DIVISION OF SERVICES FOR THE DEAF AND HARD OF HEARING, AND TO REQUIRE THE DEVELOPMENT OF A THREE-YEAR PLAN TO ADDRESS THE CAPITAL NEEDS OF THE GOVERNOR MOREHEAD SCHOOL AND THE THREE STATE SCHOOLS FOR THE DEAF. (Became law upon approval of the Governor, September 9, 1998 - S.L. 1998-131.)

S.B. 1354, AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS STATEWIDE CRITICAL INFRASTRUCTURE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, AND WATER CONSERVATION AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES. (Became law upon approval of the Governor, September 9, 1998 - S.L. 1998-132.)

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1277 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE RULES OF CIVIL PROCEDURE, AND TO CLARIFY THE PUBLIC

DUTY DOCTRINE AND THE TORT CLAIMS ACT, upon third reading.

With unanimous consent, on motion of Senator Dalton, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Thursday, September 10, upon third reading.

S.B. 1514 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF HEMBY BRIDGE, AND CONCERNING ANNEXATION IN HARNETT COUNTY, for concurrence in the House Committee Substitute bill No. 2, upon second reading.

With unanimous consent, on motion of Senator Rand, House Committee Substitute bill No. 2 is taken up out of its regular order of business and placed before the Senate for immediate consideration.

The Senate fails to concur in House Committee Substitute bill No. 2 on its second reading, ayes 1, noes 44, as follows:

Voting in the affirmative: Senator Shaw of Guilford—1.

Voting in the negative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Soles, Warren, Webster, Weinstein, and Wellons—44.

Senator Plyler offers a motion that the Senate appoint conferees, which motion prevails.

The President *Pro Tempore* appoints Senator Plyler, Chairman, and Senator Carrington and Senator Purcell as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action and requesting conferees.

COURTESIES

With unanimous consent, on motion of Senator Warren, the President extends privileges of the floor to the members of the Greenville Tarheel Little League All-Star Team, their Manager, and their Coaches. The President recognizes Senator Warren to escort the following Team Members, Manager, and Coaches to the Well of the Senate, who are received with a standing ovation: Richard Barnhill, Brandon Brown, Sam Byrum, Taylor Gagnon, Zach Garris, Justin Hardee, Kevin Hodges, Jordan Lee, Michael Lilley, Brack Massey, J. D. Morgan, Shelton Nelson, Patrick Warrington, and Alex White, Coach Mason Lilley, Coach Randy White, Coach Pete Carraway, Coach Greg Benner and Manager Wayne Hardee.

Upon motion of Senator Basnight, the remarks honoring the Greenville Tarheel Little League All-Star Team are spread upon the Journal, as follows:

Senator Basnight:

"Mr. President, if it is agreeable to you, at this time we have the Little League World Series runners-up from Greenville, North Carolina. This is the 1998 Greenville Tarheel eleven and twelve year olds. As I understand it, while they were in Williamsport, it might have been the first team from North Carolina ever to have been there and played in this tournament. They came ever so very close of winning and being our world champions by

name but in the mind of all of us, they are our champions and we're so very proud to have Senator Warren to lead our escort committee at the appropriate time."

Lieutenant Governor Wicker:

"Senator Warren is excused to retire to the rear of the Chamber so that he may escort our Little League World Series Champions to the Well of the Senate along with Coach Wayne Hardee."

Senator Warren:

"Mr. President, I just want to say that we, on behalf of the Senate, appreciate all you've done for the State of North Carolina and number one we want to say that being the third place in the world is a great achievement for this State. You set good role model examples. You've had leadership abilities and Wayne, being a former athlete and prominent lawyer here in Greenville as the manager, he's going to introduce the team players and the other coaches. Let me say, also, as Senator Basnight said, that number two in America, it has been forty-six years since a team in North Carolina has even been in the tournament and I think that's quite an achievement coming from North Carolina. We in the Senate are all proud of each one of you. You are the role model that we like to see in our young people. We think that we have a good future in America with young people like this leading the way. This is quite an accomplishment I think. Wayne if you would, with all the home run deals going on now with Mark McGwire and I think you had some home run hitters in this group, if you would, tell us who they were and let them raise their hand so we can see who the home run hitters are in this group. Wayne, thanks for all you do."

Wayne Hardee:

"Mr. President, Mr. *Pro Tempore*, ladies and gentlemen of the Senate, thank you very much for the honor of having us here before this distinguished group. This is quite an honor for me and the team, on behalf of the Greenville Little League Tarheel team to come here. We're most honored to have been as successful as we were this season. Let me say first that the credit for the success, I know in our coaches' opinions should go to the boys, they're a very talented young group of boys and we're very honored to have been able to have been coaching with them. We had a good time. It was a long road to Williamsport, it was a lot of fun but, again, I think the credit should go the boys and I appreciate it very much all the honor you had by the invitation to come here today. Let me introduce all the players and the coaches. Let me start with the coaches since they are closer. We have one coach who is not here, Randy White. He was not able to be here; he is a physician in Greenville. But we have here Greg Benner. If you'll raise your hand as we introduce you. Then in front of him Mason Lilley. Mason was our pitching coach during the series and beside him we call him the legend, Mr. Pete Carraway. Mr. Pete Carraway has been coaching little league in Greenville for thirty-seven years and because of people like Mr. Carraway and this coaching staff including Coach White, I, being the manager, all I did is accumulate the great coaching staff and that with the talent of this team is the reason we were successful. Let me introduce now really the players. I'll start right in front of Coach Lilley. When I introduce you guys if you'll just raise your hand. This is my son, Justin Hardee. Step up front so they can see you, then move back. Step up front Justin, he's a little shy, never been before such a distinguished group, I believe. Right in front of him is John Durham Morgan. Right in front of John is Michael Lilley, this is Mason's son. Right here is Brack Massey. Right beside Brack is Taylor Gagnon. Right in front of Taylor is Alex White. Right in front of Taylor is Jordan Lee. To his left

is Brandon Brown. Right behind Brandon is Richard Barnhill. Be proud guys, don't be too shy. Right to his left is Shelton Nelson. Right in front of Shelton is Zach Garris. Over here is Sam Byrum and right in front of Sam is Patrick Warrington. Finally, last but not least, is Kevin Hodges. Senator Warren asked me a little bit about the home runs, I know a lot of televisions were tuned in last night when McGwire got his 62nd. They play a little more games than we do but let me just tell you I thought sometimes statistics, a couple of them are interesting. We had actually twenty games. We started on July 6th and went through, I think it was August 28th was our last game I believe. But anyway, there were twenty games and during that time we had forty-three home runs which is averaging more than two a game. The other thing is that of those twenty games, seven of them were shortened by what we call the Mercy Rule. It's a ten-run rule, once you beat a team in the 4th inning by more than ten runs, the game is automatically, they have to yield. The game basically is over so we had seven of our twenty games by the Mercy Rule. In fact, we had twelve runs in one inning in the State tournament. It was quite a feat but just to be sure that you know, we did start in the district tournament which was held in Vanceboro and then from there proceeded to Kernersville which is where the State tournament was. And then once we won the State tournament in Kernersville that entitled us to go to St. Petersburg, Florida for the Southern Regional Championship. And that's where you see on the front of the jersey the South USA and by winning the Southern Regional Championship that's when we became, and our jerseys changed from North Carolina to South USA representing four teams, four US teams to go to the World Series, again by finishing, we finished as you mentioned, second in the United States and third in the world. What was not publicized very much, is that we played Canada who was the other team that lost. We played them at an international friendship game the same day of the final game between Japan and the East. And were fortunate that we beat them eight to seven. So that's why we have bragging rights to say that we're third in the world since we beat Canada. You asked for the home runs, let me tell you that and then I'll be done. We had probably one of the nicest things about this group, is that there are fourteen players and nine of the fourteen players had home runs during this All-Star Tournament. And that is, I think pretty impressive to have nine people with home runs. Just raise your hand when I mention it. Shelton Nelson had a home run; Mike Willey, the littlest guy on our team, had a home run; John Durham Morgan had three home runs; Richard Barnhill had four home runs, including a grand slam; Brandon Brown had four home runs; Alex White had five home runs; Brack Massey had five home runs; and then Justin Hardee had eight home runs; and then finally last but not least, Kevin Hodges had twelve home runs in the series. With all these home runs it's not surprising that in those number of games we actually had 113 runs. So I don't know what the stats are. I think for about a seven-week period of time that's accumulating a lot of home runs and a lot of talent. I'll also say that they played very good defensively and I just appreciate Senator Warren and the members of the Chamber inviting us up here to recognize the boys. I'm real proud to be associated with a team that, in fact, did make North Carolina history by not only making it to the World Series like no other team has since 1952 but to go beyond that in finishing higher than any other team in North Carolina history, by second in the U.S. and third in the world and for that we are very honored by your invitation and we thank everybody very much for coming and we appreciate it very much."

Lieutenant Governor Wicker:

"Coach Hardee and members of the team and coaches and family members and friends, on behalf of the Senate we want to extend to you this flag. We want to do so, Coach, as a symbol of not only what North Carolina stands for but also the pride which

these young men brought North Carolina. Like many of you in this Chamber, I watched the games and I'll tell you what I think most of us were proud about, it was not only winning but it was also the way in which your young men conducted themselves on the field. I never saw them once wince when they weren't successful at bat. I never saw them once complain at a call that was made maybe not in their favor. I would like to know what you said to the umpire when he did make one of those calls and you walked up to him. Later. But I think North Carolina joins all of us in saying to all of these future Mark McGwires, that we are awfully, awfully, proud of you and what you mean to this State. And so, on behalf of the North Carolina Senate, we say congratulations to you and we watch for more successful endeavors from all of you in future years. Thank you very much for what you've done for our State."

Senator Basnight:

"Mr. President for a motion, but prior to the motion let me say, the proudness that we all exhibit in here, all fifty of us in the Senate, cannot easily be expressed in any words. What you have accomplished, what you've done, makes North Carolina just a better place for all of us to recognize for what it is. You have been fantastic. You're just wonderful ambassadors, each and every one of you. And to you and to the City of Greenville and Pitt County and most especially to the Moms, we thank you for letting us have them. And if we may Mr. President, I move that the Senate do spread upon the Journal the words of those that have been expressed today. And further more, that we send an appropriate official document to each and every one of these players as a resolution from the Senate for a job well done."

Lieutenant Governor Wicker:

"Without objection, that is going to be ordered. We thank you very, very much. Thank you coach. Thank you, players. Thank you."

The President grants a leave of absence for the remainder of today's Session to Senator Warren.

CALENDAR *(Continued)*

H.B. 68 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ANNEX CERTAIN DESCRIBED TERRITORY TO THE TOWN OF LAKE WACCAMAW, upon third reading.

Senator Soles offers Amendment No. 1 which is adopted (44-0).

The Senate Committee Substitute bill, as amended, passes its third reading by roll-call vote, ayes 39, noes 4, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Blust, Carpenter, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Garwood, Gulley, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Moore, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford, Soles, Webster, Weinstein, and Wellons—39.

Voting in the negative: Senators Ballantine, Carrington, Foxx, and McDaniel—4.

The Senate Committee Substitute bill is ordered engrossed and sent to the House of Representatives by special messenger, for concurrence in the Senate Committee Substitute bill.

H.B. 1114 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT

PROVIDING THAT CERTAIN LOCAL GOVERNMENTS MAINTAIN THE SWIFT CREEK MANAGEMENT PLAN AS AGREED TO BY THOSE JURISDICTIONS, upon second reading.

Senator Miller offers Amendment No. 1 which is adopted (43-0).

The Senate Committee Substitute bill, as amended, passes its second (44-0) and third readings and is ordered engrossed and sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

S.B. 1360 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW AND TO PROVIDE THAT A MAJORITY OF MEMBERS OF THE ALAMANCE-BURLINGTON BOARD OF EDUCATION SHALL BE ELECTED IN 1998, for concurrence in the House Committee Substitute bill.

With unanimous consent, on motion of Senator Plyler, the House Committee Substitute bill is withdrawn from today's Calendar and placed on the Calendar for Tuesday, September 15, for concurrence.

S.B. 1260 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO DEVELOP A PLAN OF REORGANIZATION FOR THE TRANSFER OF THE DIVISION OF YOUTH SERVICES OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE DIVISION OF JUVENILE SERVICES OF THE ADMINISTRATIVE OFFICE OF THE COURTS TO THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY, TO AMEND AND RECODIFY THE NORTH CAROLINA JUVENILE CODE, AND TO CONFORM THE GENERAL STATUTES TO THE RECODIFICATION OF THE JUVENILE CODE, AS RECOMMENDED BY THE COMMISSION ON JUVENILE CRIME AND JUSTICE, for concurrence in House Committee Substitute bill No. 2, upon second reading.

With unanimous consent, on motion of Senator Cooper, the House Committee Substitute bill No. 2 is taken up out of its regular order of business and placed before the Senate for immediate consideration.

The Senate fails to concur in House Committee Substitute bill No. 2, ayes 18, noes 26, as follows:

Voting in the affirmative: Senators Allran, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, East, Forrester, Foxx, Horton, Ledbetter, McDaniel, Moore, Perdue, Reeves, Shaw of Guilford, and Webster—18.

Voting in the negative: Senators Albertson, Ballance, Basnight, Cooper, Dalton, Dannelly, Garwood, Gulley, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Phillips, Plyler, Purcell, Rand, Shaw of Cumberland, Soles, Weinstein, and Wellons—26.

Senator Basnight offers a motion that the Senate appoint conferees, which motion prevails.

The President *Pro Tempore* appoints Senator Cooper, Chairman, and Senators Allran, Dalton, Hartsell, Lucas, Martin of Guilford, Odom, and Wellons as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives by special messenger informing that Honorable Body of such action and requesting conferees.

The Senate recesses at 2:36 P.M. to reconvene at 3:10 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 1514

House of Representatives
September 9, 1998

Mr. President:

Pursuant to your information that your Honorable Body failed to concur in House Committee Substitute # 2 for SB 1514, A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF HEMBY BRIDGE, AND CONCERNING ANNEXATION IN HARNETT COUNTY, the Speaker has appointed as conferees on the part of the House,

Representative Davis, Chair;
Representative Hall,
Representative Gray, and
Representative Morgan

to act with a like committee on the part of the Senate to the end that the differences existing between the two bodies may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

CONFERENCE REPORT

S.B. 1514

Senator Plyler for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **S.B. 1514** (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF HEMBY BRIDGE, AND CONCERNING ANNEXATION IN HARNETT COUNTY, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 1514, A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF HEMBY BRIDGE, AND CONCERNING ANNEXATION IN HARNETT COUNTY, Fifth Edition Engrossed 9/3/98, submit the following report:

The Senate concurs in the House Committee Substitute #2, Fifth Edition Engrossed 9/3/98 with amendments as follows:

(1) On page 7, line 34, delete the words "or all"

(2) On page 7, line 36, insert the following immediately before the colon: "unless the entire area is annexed".

The House agrees to the same.

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: September 9, 1998.

S/Aaron Plyler	S/Donald S. Davis
S/William Purcell	S/Bobby R. Hall
S/John H. Carrington	S/Lyons Gray
	S/Richard T. Morgan
Conferees for the Senate	*Conferees for the House of Representatives*

The Chair rules the Conference Report to be material and submission constitutes the first reading of the measure.

CALENDAR *(Continued)*

H.B. 1318 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO LIMIT THE NONRESIDENT WITHHOLDING REQUIREMENT TO ATHLETES AND ENTERTAINERS, TO INCREASE THE THRESHOLD REQUIREMENT FOR NONRESIDENT WITHHOLDING, AND TO PROVIDE A MECHANISM TO ENHANCE COLLECTION OF TAXES FROM NONRESIDENTS ENGAGED IN CONSTRUCTION-RELATED BUSINESSES, upon third reading.

The Senate Committee Substitute bill passes its third reading by roll-call vote, ayes 38, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, East, Forrester, Foxx, Garwood, Horton, Hoyle, Jenkins, Jordan, Kinnaird, Ledbetter, Lucas, Martin of Pitt, Martin of Guilford, Miller, Moore, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford, Soles, Webster, Weinstein, and Wellons—38.

Voting in the negative: None.

The Senate Committee Substitute bill is ordered sent to the House of Representatives for concurrence in the Senate Committee Substitute bill.

H.B. 1518 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE EAGLE SCOUT SPECIAL REGISTRATION PLATES TO EAGLE SCOUTS OR THEIR PARENTS OR GUARDIANS, TO ISSUE GIRL SCOUT GOLD AWARD SPECIAL REGISTRATION PLATES TO RECIPIENTS OF THE GIRL SCOUT GOLD AWARD OR THEIR PARENTS OR GUARDIANS, AND TO ISSUE SMALLER REGISTRATION PLATES FOR MOTORCYCLES AND MOTORCYCLE TRAILERS, upon third reading.

The Senate Committee Substitute bill passes its third reading by roll-call vote, ayes 41, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, East, Forrester, Foxx, Garwood, Gulley, Horton, Hoyle, Jenkins, Jordan, Kinnaird, Ledbetter, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford, Soles, Webster, Weinstein, and Wellons—41.

Voting in the negative: None.

The Senate Committee Substitute bill is ordered sent to the House of Representatives for concurrence in the Senate Committee Substitute bill.

S.B. 1539 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO REQUIRE THAT A FOOD OR RETAIL BUSINESS THAT HOLDS AN ABC PERMIT AND IS LOCATED IN AN URBAN REDEVELOPMENT AREA OR WITHIN FIFTEEN HUNDRED FEET OF A HIGH SCHOOL SHALL NOT HAVE ALCOHOLIC BEVERAGE SALES IN EXCESS OF FIFTY PERCENT OF THE BUSINESS'S TOTAL ANNUAL SALES, upon second reading.

With unanimous consent, on motion of Senator Reeves, the Committee Substitute bill No. 2 is withdrawn from today's Calendar and placed on the Calendar for Tuesday, September 15, upon second reading.

H.B. 1342 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND AND CLARIFY THE RENUNCIATION OF PROPERTY AND RENUNCIATION OF FIDUCIARY POWERS ACT, upon second reading.

The Committee Substitute bill passes its second (43-0) and third readings and is ordered enrolled and sent to the Governor.

NOTICE OF DISCHARGE PETITION

Senator Horton is recognized and pursuant to Rule 47(b), gives notice of his intention to circulate a petition for signatures requesting that the **Children & Human Resources Committee** be discharged from further consideration of **H.B. 303** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO BAN PARTIAL-BIRTH ABORTIONS.

On motion of Senator Basnight, seconded by Senator Phillips, the Senate adjourns at 3:34 P.M., with bills remaining on the Calendar, subject to receipt of Committee Reports, Conference Reports and Messages from the House of Representatives, to meet tomorrow, Thursday, September 10, at 11:00 A.M.

SPECIAL MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 1260

House of Representatives
September 9, 1998

Mr. President:

Pursuant to your information that your Honorable Body failed to concur in House Committee Substitute #2 for SB 1260, A BILL TO BE ENTITLED AN ACT TO DEVELOP A PLAN OF REORGANIZATION FOR THE TRANSFER OF THE DIVISION OF YOUTH SERVICES OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE DIVISION OF JUVENILE SERVICES OF THE ADMINISTRATIVE OFFICE OF THE COURTS TO THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY, TO AMEND AND RECODIFY THE NORTH CAROLINA JUVENILE CODE, AND TO CONFORM THE GENERAL STATUTES TO THE RECODIFICATION OF THE JUVENILE CODE, AS RECOMMENDED BY THE COMMISSION ON JUVENILE CRIME AND JUSTICE the Speaker has appointed conferees on the part of the House,

Representative Neely, Chair;
Representative McMahan,
Representative Baddour,
Representative Sutton,
Representative Culpepper,
Representative Bowie,
Representative Justus, and
Representative Creech

to act with a like committee on the part of the Senate to the end that the differences existing between the two bodies may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

The following special message is received from the House of Representatives:

H.B. 581 House of Representatives
September 9, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House fails to concur in the Senate Committee Substitute for HB 581, A BILL TO BE ENTITLED AN ACT AN ACT (sic) TO PROVIDE A CIVIL ACTION REMEDY FOR PERSONS WHO ARE SEXUALLY EXPLOITED BY THEIR PSYCHOTHERAPIST, and requests conferees. The Speaker has appointed:

Representative Neely, Chair;
Representative Bowie,
Representative McMahan, and
Representative Hackney

on the part of the House to confer with a like committee appointed by the Senate to the

end that the differences arising may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

REPORT OF COMMITTEE

Bills are reported from a standing committee, read by their titles, together with the report accompanying them, and take their place on the Calendar, as follows:

By Senator Miller for the **State Government, Local Government and Personnel Committee**:

H.B. 1332 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF GREENVILLE TO UNDERTAKE ONE DOWNTOWN DEVELOPMENT PROJECT SUBJECT TO CERTAIN CONDITIONS, with a favorable report.

H.B. 1361 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVISE THE MUNICIPAL ANNEXATION LAWS AND TO CHANGE THE CRITERIA TO BE CONSIDERED BY THE JOINT LEGISLATIVE COMMISSION ON MUNICIPAL INCORPORATIONS, with a favorable report.

H.B. 1613 (Committee Substitute), A BILL TO BE ENTITLED AN ACT ABOLISHING THE OFFICE OF CORONER IN MARTIN AND ROCKINGHAM COUNTIES, with a favorable report.

The Senate adjourns at 4:37 P.M.

ONE HUNDRED NINETY-FIFTH DAY

Senate Chamber
Thursday, September 10, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear Lord, Uncle Dave was a good-natured preacher. His wife was known as Aunt Sarah. They sometimes disagreed, as people who spend a lot of time together are wont to do. One morning Uncle Dave was up about the place, getting in some firewood and filling up the reservoir on the stove. He and Aunt Sarah were having an argument and she was getting the better of him. He turned to her and said, 'Sarah, you want me to tell you something? You've worried and nagged me till, to tell you the truth, I may be the meanest of the two.' We know what he meant.

"Never allow others to ruin our day, Oh God. Instead, let us serve You with gladness, then we shall be a positive influence on those with whom we interact. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Gulley, Senator Page, and Senator Weinstein.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Wednesday, September 9, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 1407, AN ACT TO PROVIDE BENEFITS UNDER THE REGISTERS OF DEEDS' SUPPLEMENTAL PENSION FUND ACT TO REGISTERS OF DEEDS WHO ARE OTHERWISE NOT ELIGIBLE SOLELY BECAUSE THE COUNTY DOES NOT PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.

H.B. 1342, AN ACT TO AMEND AND CLARIFY THE RENUNCIATION OF PROPERTY AND RENUNCIATION OF FIDUCIARY POWERS ACT.

H.B. 1474, AN ACT TO AMEND THE MOTOR VEHICLE LAWS TO CONFORM WITH FEDERAL LAW AND TO MAKE TECHNICAL AND OTHER CHANGES.

REPORTS OF COMMITTEES

A bill is reported from a standing committee, read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Albertson for the **Agriculture/Environment/Natural Resources Committee**:

H.B. 1483 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXPEDITE THE CLOSURE OF LOW RISK LEAKING PETROLEUM UNDERGROUND STORAGE TANK CLEANUPS BY ALLOWING THE COST OF OBTAINING THE ADDITIONAL INFORMATION REQUIRED TO ASSESS THE RISK OF RELEASES REPORTED PRIOR TO THE EFFECTIVE DATE OF THE RISK ASSESSMENT RULES TO BE PAID FROM THE COMMERCIAL FUND OR THE NONCOMMERCIAL FUND UNDER CERTAIN CIRCUMSTANCES, TO PROVIDE THAT THE COST OF CONNECTING THIRD PARTIES TO PUBLIC WATER SYSTEMS MAY BE PAID FROM THE COMMERCIAL FUND OR THE NONCOMMERCIAL FUND UNDER CERTAIN CIRCUMSTANCES, TO MAKE LANDOWNERS ELIGIBLE FOR REIMBURSEMENT OF CLEAN UP COSTS FROM THE NONCOMMERCIAL FUND UNDER CERTAIN CIRCUMSTANCES, TO AUTHORIZE THE ENVIRONMENTAL MANAGEMENT COMMISSION TO REQUIRE THAT ASSESSMENT AND CLEANUP TASKS AND COSTS BE PREAPPROVED BEFORE WORK PROCEEDS, TO MAKE PETROLEUM

COMMERCIAL UNDERGROUND STORAGE TANK OPERATING PERMITS SUBJECT TO ADDITIONAL FEDERAL REQUIREMENTS APPLICABLE IN 1998, TO PROVIDE FOR ASSIGNMENT OF PAYMENTS FROM THE COMMERCIAL FUND AND THE NONCOMMERCIAL FUND, TO ESTABLISH A DE MINIMIS REPORTING REQUIREMENT FOR PETROLEUM UNDERGROUND STORAGE TANK SPILLS AND OVERFILLS OF LESS THAN TWENTY-FIVE GALLONS THAT ARE CLEANED UP WITHIN TWENTY-FOUR HOURS, TO PROVIDE THAT FEDERAL LIMITATIONS ON LENDER LIABILITY APPLY TO THE LEAKING PETROLEUM UNDERGROUND STORAGE TANK CLEANUP PROGRAM, TO PROVIDE THAT RULES APPLICABLE TO COMMERCIAL UNDERGROUND STORAGE TANKS DO NOT APPLY TO CERTAIN TANKS, AND TO MAKE RELATED CONFORMING AND TECHNICAL AMENDMENTS, with an unfavorable report as to Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 6471 is adopted and engrossed.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1347 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE STATE SHALL NOT TAX INTERNET ACCESS CHARGES, SHALL ENFORCE SALES TAXES ON INTERNET COMMERCE ONLY TO THE SAME EXTENT IT ENFORCES SALES TAX ON MAIL-ORDER COMMERCE, AND SHALL IMPOSE NO NEW TAXES ON THE INTERNET OR INTERNET COMMERCE, AND TO IMPOSE LIABILITY ON THOSE WHO TRANSMIT UNSOLICITED ITEMS OF ELECTRONIC MAIL THAT INCLUDE ADVERTISEMENTS (SPAM).

Referred to **Finance Committee**.

S.B. 1509 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF DURHAM TO DISCLOSE LIMITED PERSONNEL INFORMATION TO THE MEMBERS OF THE CITIZEN REVIEW BOARD TO FACILITATE ITS REVIEW OF POLICE DISCIPLINARY CASES, for concurrence in the House Committee Substitute bill, which is placed on the Calendar for Monday, September 14.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.B. 1529

House of Representatives
September 10, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the

House has adopted the report of the Conferees on Senate Committee Substitute # 2 for HB 1529, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT, to the end that when a similar action has been taken on the part of the Senate we will order the bill enrolled.

Respectfully,
S/Denise Weeks/cwc
Principal Clerk

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1277 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE RULES OF CIVIL PROCEDURE, AND TO CLARIFY THE PUBLIC DUTY DOCTRINE AND THE TORT CLAIMS ACT, upon third reading.

With unanimous consent, on motion of Senator Dalton, the Committee Substitute bill is withdrawn from today's Calendar and placed on the Calendar for Wednesday, September 16, upon third reading.

H.B. 926 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS, upon second reading.

With unanimous consent, on motion of Senator Jenkins, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, September 15, upon second reading.

A bill carried forward as unfinished business from Wednesday, September 9, is taken up and disposed of, as follows:

S.B. 1242 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A WIRELESS ENHANCED 911 SYSTEM FOR THE USE OF CELLULAR, PERSONAL COMMUNICATIONS SERVICE, AND OTHER WIRELESS TELEPHONE CUSTOMERS, AS RECOMMENDED BY THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE, AND TO ALLOW STATE AGENCIES TO LEASE PUBLIC PROPERTY FOR THE CONSTRUCTION OF WIRELESS COMMUNICATIONS TOWERS AND TO ENCOURAGE CO-LOCATION OF SERVICES TO THOSE TOWERS, AND TO MAKE A TECHNICAL CORRECTION TO G.S. 62A-10, for concurrence in House Committee Substitute bill No. 2, upon third reading.

The Senate concurs in House Committee Substitute bill No. 2 on its third reading by roll-call vote, ayes 41, noes 1, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Rucho, Shaw of Cumberland, Soles, Warren, and Wellons—41.

Voting in the negative: Senator Ballance—1.

CALENDAR *(Continued)*

The House Committee Substitute bill No. 2 is ordered enrolled and sent to the Governor.

H.B. 1332 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF GREENVILLE TO UNDERTAKE ONE DOWNTOWN DEVELOPMENT PROJECT SUBJECT TO CERTAIN CONDITIONS, upon second reading.

The Committee Substitute bill No. 2 passes its second reading by roll-call vote, ayes 44, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Soles, Warren, Webster, and Wellons—44.

Voting in the negative: None.

The Committee Substitute bill No. 2 is ordered placed on the Calendar for Monday, September 14, upon third reading.

H.B. 1613 (Committee Substitute), A BILL TO BE ENTITLED AN ACT ABOLISHING THE OFFICE OF CORONER IN MARTIN AND ROCKINGHAM COUNTIES, upon second reading.

The Committee Substitute bill passes its second reading (44-0), and is ordered placed on the Calendar for Monday, September 14, upon third reading.

S.B. 1514 (Conference Report), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF HEMBY BRIDGE, AND CONCERNING ANNEXATION IN HARNETT COUNTY, for adoption, upon second reading.

On motion of Senator Plyler, the Senate adopts the Conference Report on its second reading by roll-call vote, ayes 42, noes 1, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Rucho, Shaw of Cumberland, Soles, Warren, Webster, and Wellons—42.

Voting in the negative: Senator Reeves—1.

The Conference Report remains on the Calendar for Monday, September 14, for adoption upon third reading.

H.B. 1361 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVISE THE MUNICIPAL ANNEXATION LAWS AND TO CHANGE THE CRITERIA TO BE CONSIDERED BY THE JOINT LEGISLATIVE COMMISSION ON MUNICIPAL INCORPORATIONS, upon second reading.

The Committee Substitute bill passes its second (44-1) and third readings and is ordered enrolled and sent to the Governor.

CONFERENCE REPORT

H.B. 1529

Senator Albertson, for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **H.B. 1529** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on House Bill 1529, A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT, Senate Finance Committee Substitute #2 Adopted 8/6/98, (Sixth Edition), wish to report as follows:

The House concurs in the Senate Finance Committee Substitute #2 Adopted 8/6/98, (Sixth Edition), with the following amendment and the Senate agrees to the same.

on page 2, line 19, after the period by adding new language to read:

"The Council shall send press releases about the referendum to at least 10 daily and 10 weekly or biweekly newspapers having general circulation in a county in the State, and to any trade journals deemed appropriate by the Council. Notice of the referendum also shall be posted in every place the Council identifies as selling commercial horse feed.".

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: September 9, 1998.

S/Charles W. Albertson	S/John W. Brown
S/John A. Garwood	S/Martha B. Alexander
S/Jim W. Phillips, Sr.	S/W. Dickson
S/Allen H. Wellons	S/Dewey L. Hill
	S/Julia C. Howard
	S/John Weatherly
Conferees for the Senate	*Conferees for the House of Representatives*

The Conference Report is ordered placed on the Calendar for Monday, September 14, for adoption, upon second reading.

On motion of Senator Basnight, seconded by Senator Lee, the Senate adjourns at 11:42 A.M. to meet Monday, September 14, at 7:00 P.M.

ONE HUNDRED NINETY-SIXTH DAY

Senate Chamber
Monday, September 14, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, the Israelites had been in exile from their land too long, held captive by the Babylonians.

"They were ready to go home so they prayed to You urgently for help. But instead of being released by their captors, they were encouraged to be patient by the Prophet Isaiah.

"Isaiah reminded them that God's timing is not always our own when he wrote:

'Have you not known, have you not heard? God does not faint or grow weary; His understanding is unsearchable. He gives power to the faint and strengthens the powerless. Those who wait for the Lord shall renew their strength, they shall mount up with wings like eagles, they shall run and not be weary, they shall walk and not faint.' (Isaiah 40:28-31 - Selected)

"Help us all to find encouragement this week in that powerful portrait of Your availability to be with us. Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator Ballance, Senator Cochrane, Senator Dalton, Senator Garwood, Senator McDaniel, Senator Martin of Pitt, Senator Moore, and Senator Odom.

Senator Rand announces the Journal of Thursday, September 10, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 1242, AN ACT TO PROVIDE FOR A WIRELESS ENHANCED 911 SYSTEM FOR THE USE OF CELLULAR, PERSONAL COMMUNICATIONS SERVICE, AND OTHER WIRELESS TELEPHONE CUSTOMERS, AS RECOMMENDED BY THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE, AND TO ALLOW STATE AGENCIES TO LEASE PUBLIC PROPERTY FOR THE CONSTRUCTION OF WIRELESS COMMUNICATIONS TOWERS AND TO ENCOURAGE CO-LOCATION OF SERVICES TO THOSE TOWERS, AND TO MAKE A TECHNICAL CORRECTION TO G.S. 62A-10.

H.B. 1361, AN ACT TO REVISE THE MUNICIPAL ANNEXATION LAWS AND TO CHANGE THE CRITERIA TO BE CONSIDERED BY THE JOINT LEGISLATIVE COMMISSION ON MUNICIPAL INCORPORATIONS.

The Enrolling Clerk reports the following bill duly ratified, properly enrolled, and

presented to the Office of the Secretary of State:

S.B. 1398, AN ACT TO AMEND CHAPTER 168 OF THE 1939 PUBLIC-LOCAL LAWS, AS PREVIOUSLY AMENDED, WHICH ENABLED THE ESTABLISHMENT OF THE RALEIGH-DURHAM AIRPORT AUTHORITY, TO ALLOW THE AUTHORITY TO CONTRACT WITH PRIVATE PARTIES FOR THE DEVELOPMENT, CONSTRUCTION, AND OCCUPANCY OF SPECIAL USER PROJECTS WITHOUT COMPLYING WITH ARTICLE 8 OF CHAPTER 143 OF THE GENERAL STATUTES.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1478, AN ACT TO DIRECT THE DEPARTMENT OF PUBLIC INSTRUCTION TO STUDY AND MAKE RECOMMENDATIONS REGARDING THE REMOVAL OF THE BARRIERS THAT PREVENT LOCAL BOARDS OF EDUCATION FROM PROVIDING YEAR-ROUND SCHOOLS. (Became law upon approval of the Governor, September 11, 1998 - S.L. 1998-133.)

H.B. 1617, AN ACT TO EXTEND THE INCOME TAX CREDIT FOR POULTRY COMPOSTING FACILITIES TO CORPORATE ENTITIES AND TO REMOVE THE SUNSET FOR THE INDIVIDUAL INCOME TAX CREDIT. (Became law upon approval of the Governor, September 11, 1998 - S.L. 1998-134.)

S.B. 78, AN ACT AMENDING THE STATE PERSONNEL ACT TO ESTABLISH JURISDICTION FOR THE HEARING OF STATE EMPLOYEE WORKPLACE HARASSMENT GRIEVANCES BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS AND THE STATE PERSONNEL COMMISSION. (Became law upon approval of the Governor, September 11, 1998 - S.L. 1998-135.)

S.B. 1171, AN ACT TO MODIFY BUILDING FOUNDATION SETBACK REQUIREMENTS AND TO ESTABLISH MONITORING REQUIREMENTS FOR WATER SUPPLY WELLS SERVING INSTITUTIONS AND FACILITIES. (Became law upon approval of the Governor, September 11, 1998 - S.L. 1998-136.)

H.B. 1327, AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO ALLOW LOCAL SCHOOL ADMINISTRATIVE UNITS TO USE SINGLE-PRIME BIDDING, MULTI-PRIME BIDDING, OR BOTH, FOR CONSTRUCTION PROJECTS OVER FIVE HUNDRED THOUSAND DOLLARS. (Became law upon approval of the Governor, September 11, 1998 - S.L. 1998-137.)

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1055 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE MANDATORY ARBITRATION OF CLAIMS RELATED TO DEFECTIVE SEED.

Referred to **Agriculture/Environment/Natural Resources Committee**.

CALENDAR

Bills on tonight's Calendar are taken up and disposed of, as follows:

H.B. 1332 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF GREENVILLE TO UNDERTAKE ONE DOWNTOWN DEVELOPMENT PROJECT SUBJECT TO CERTAIN CONDITIONS, upon third reading.

The Committee Substitute bill No. 2 passes its third reading by roll-call vote, ayes 36, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cooper, Dannelly, East, Forrester, Foxx, Gulley, Hartsell, Horton, Hoyle, Kerr, Kinnaird, Lee, Lucas, Martin of Guilford, Miller, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford, Soles, Webster, Weinstein, Wellons, and Winner—36.

Voting in the negative: None.

The Committee Substitute bill No. 2 is ordered enrolled.

H.B. 1613 (Committee Substitute), A BILL TO BE ENTITLED AN ACT ABOLISHING THE OFFICE OF CORONER IN MARTIN AND ROCKINGHAM COUNTIES, upon third reading.

The Committee Substitute bill passes its third reading (37-0).

The Committee Substitute bill is ordered enrolled.

S.B. 1509 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF DURHAM TO DISCLOSE LIMITED PERSONNEL INFORMATION TO THE MEMBERS OF THE CITIZEN REVIEW BOARD TO FACILITATE ITS REVIEW OF POLICE DISCIPLINARY CASES, for concurrence in the House Committee Substitute bill.

The Senate concurs in the House Committee Substitute bill (38-0) and the measure is ordered enrolled.

S.B. 1514 (Conference Report), A BILL TO BE ENTITLED AN ACT TO INCORPORATE THE TOWN OF HEMBY BRIDGE, AND CONCERNING ANNEXATION IN HARNETT COUNTY, for adoption, upon third reading.

On motion of Senator Plyler, the Senate adopts the Conference Report on its third reading by roll-call vote, ayes 38, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cooper, Dannelly, Forrester, Foxx, Gulley, Hartsell, Horton, Hoyle, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, Miller, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—38.

Voting in the negative: None.

The Chair orders a message sent to the House of Representatives informing that Honorable Body of such action.

H.B. 1483 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXPEDITE THE CLOSURE OF LOW RISK LEAKING PETROLEUM UNDERGROUND STORAGE TANK CLEANUPS BY ALLOWING THE COST OF OBTAINING THE ADDITIONAL INFORMATION REQUIRED TO ASSESS THE RISK OF RELEASES REPORTED PRIOR TO THE EFFECTIVE DATE OF THE RISK ASSESSMENT RULES TO BE PAID FROM THE COMMERCIAL FUND OR THE NONCOMMERCIAL FUND UNDER CERTAIN CIRCUMSTANCES, TO PROVIDE THAT THE COST OF CONNECTING THIRD PARTIES TO PUBLIC WATER SYSTEMS MAY BE PAID FROM THE COMMERCIAL FUND OR THE NONCOMMERCIAL FUND UNDER CERTAIN CIRCUMSTANCES, TO MAKE LANDOWNERS ELIGIBLE FOR REIMBURSEMENT OF CLEAN UP COSTS FROM THE NONCOMMERCIAL FUND UNDER CERTAIN CIRCUMSTANCES, TO AUTHORIZE THE ENVIRONMENTAL MANAGEMENT COMMISSION TO REQUIRE THAT ASSESSMENT AND CLEANUP TASKS AND COSTS BE PREAPPROVED BEFORE WORK PROCEEDS, TO MAKE PETROLEUM COMMERCIAL UNDERGROUND STORAGE TANK OPERATING PERMITS SUBJECT TO ADDITIONAL FEDERAL REQUIREMENTS APPLICABLE IN 1998, TO PROVIDE FOR ASSIGNMENT OF PAYMENTS FROM THE COMMERCIAL FUND AND THE NONCOMMERCIAL FUND, TO ESTABLISH A DE MINIMIS REPORTING REQUIREMENT FOR PETROLEUM UNDERGROUND STORAGE TANK SPILLS AND OVERFILLS OF LESS THAN TWENTY-FIVE GALLONS THAT ARE CLEANED UP WITHIN TWENTY-FOUR HOURS, TO PROVIDE THAT FEDERAL LIMITATIONS ON LENDER LIABILITY APPLY TO THE LEAKING PETROLEUM UNDERGROUND STORAGE TANK CLEANUP PROGRAM, TO PROVIDE THAT RULES APPLICABLE TO COMMERCIAL UNDERGROUND STORAGE TANKS DO NOT APPLY TO CERTAIN TANKS, AND TO MAKE RELATED CONFORMING AND TECHNICAL AMENDMENTS, upon second reading.

The Senate Committee Substitute bill passes its second (39-0) and third readings and is ordered, without objection, sent by special messenger to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 1529 (Conference Report), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT, for adoption.

On motion of Senator Albertson, the Conference Report is withdrawn from tonight's Calendar and placed on the Calendar for tomorrow, Tuesday, September 15, for adoption.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 1514 House of Representatives
September 14, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House has adopted the report of the Conferees on House Committee Substitute #2 for SB 1514, A BILL TO BE AN ACT TO INCORPORATE THE TOWN OF HEMBY BRIDGE, AND CONCERNING ANNEXATION IN HARNETT COUNTY, to

the end that when a similar action has been taken on the part of the Senate, you may order the bill enrolled.

Respectfully,
S/Denise Weeks
Principal Clerk

Pursuant to the Senate having adopted the Conference Report on third reading tonight, the President orders the bill enrolled.

APPOINTMENT OF CONFERENCE COMMITTEE

H.B. 581 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE A CIVIL ACTION REMEDY FOR PERSONS WHO ARE SEXUALLY EXPLOITED BY THEIR PSYCHOTHERAPIST.

Pursuant to the receipt of a message from the House of Representatives on September 9 that the House fails to concur in the Senate Committee Substitute for H.B. 581 and requests conferees, the President *Pro Tempore* appoints Senator Miller, Chairman, and Senator Ballantine and Senator Soles as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

On motion of Senator Basnight, seconded by Senator Perdue, the Senate adjourns at 7:23 P.M. to meet tomorrow, Tuesday, September 15, at 2:00 P.M.

ONE HUNDRED NINETY-SEVENTH DAY

Senate Chamber
Tuesday, September 15, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Marc Basnight, President *Pro Tempore*, who presides in the absence of the Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, Oliver Wendell Holmes said, 'Many people die with their music still in them.' You know our potential, You know what we can do and You know what is best for us to do. Help us to live up to that potential. Today, let each of us make music by singing our song while yet we can, and we ask that Your Spirit kindly accompany us. In Your Name we pray, Amen."

With unanimous consent, the President *Pro Tempore* grants leaves of absence for today to Senator Ballance, Senator McDaniel, and Senator Moore.

Senator Rand announces the Journal of yesterday, Monday, September 14, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President *Pro Tempore* of the Senate extends the courtesies of the floor to Catherine Jennifer from Fayetteville, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

H.B. 349, AN ACT TO EXTEND THE TERRITORIAL JURISDICTION OF THE LEGISLATIVE SERVICES COMMISSION TO ALL OF JONES, WILMINGTON, AND SALISBURY STREETS PROXIMATE TO THE STATE LEGISLATIVE BUILDING, AND TO THE BRICK WALKWAY PROXIMATE TO THE LEGISLATIVE OFFICE BUILDING.

H.B. 577, AN ACT TO STRENGTHEN THE REGISTRATION REQUIREMENT FOR FORESTERS.

H.B.1082, AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A NATIVE AMERICAN REGISTRATION PLATE, AND TO ALLOW AN INCREASE IN MEMBERS ON THE NORTH CAROLINA INDIAN HOUSING AUTHORITY.

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.B. 1509, AN ACT TO ALLOW THE CITY OF DURHAM TO DISCLOSE LIMITED PERSONNEL INFORMATION TO THE MEMBERS OF THE CITIZEN REVIEW BOARD TO FACILITATE ITS REVIEW OF POLICE DISCIPLINARY CASES.

S.B. 1514, AN ACT TO INCORPORATE THE TOWN OF HEMBY BRIDGE, AND CONCERNING ANNEXATION IN HARNETT COUNTY.

H.B. 1332, AN ACT TO ALLOW THE CITY OF GREENVILLE TO UNDERTAKE ONE DOWNTOWN DEVELOPMENT PROJECT SUBJECT TO CERTAIN CONDITIONS.

H.B. 1613, AN ACT ABOLISHING THE OFFICE OF CORONER IN MARTIN AND ROCKINGHAM COUNTIES.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

S.B. 1373, AN ACT TO DISAPPROVE AN ADMINISTRATIVE RULE ADOPTED BY THE ENVIRONMENTAL MANAGEMENT COMMISSION REGARDING THE TAR-PAMLICO RIVER BASIN. (Became law upon approval of the Governor, September 14, 1998 - S.L. 1998-138.)

H.B. 1489, AN ACT TO IMPROVE COLLECTION OF LOCAL TAXES BY ALLOWING CERTAIN GOVERNMENT OFFICIALS TO SHARE SPECIFIED TAX INFORMATION AND BY ALLOWING A TAXPAYER TO RECEIVE A RELEASE OR REFUND OF PRORATED VEHICLE PROPERTY TAXES IF THE TAXPAYER MOVES OUT-OF-STATE. (Became law upon approval of the Governor, September 14, 1998 - S.L. 1998-139.)

H.B. 1502, AN ACT TO AUTHORIZE THE CONSTRUCTION AND THE FINANCING OF CERTAIN CAPITAL IMPROVEMENTS PROJECTS OF THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA. (Became law upon approval of the Governor, September 14, 1998 - S.L. 1998-140.)

S.B. 1398, AN ACT TO AMEND CHAPTER 168 OF THE 1939 PUBLIC-LOCAL LAWS, AS PREVIOUSLY AMENDED, WHICH ENABLED THE ESTABLISHMENT OF THE RALEIGH-DURHAM AIRPORT AUTHORITY, TO ALLOW THE AUTHORITY TO CONTRACT WITH PRIVATE PARTIES FOR THE DEVELOPMENT, CONSTRUCTION, AND OCCUPANCY OF SPECIAL USER PROJECTS WITHOUT COMPLYING WITH ARTICLE 8 OF CHAPTER 143 OF THE GENERAL STATUTES. (Became law upon ratification, September 14, 1998 - S.L. 1998-141.)

REPORTS OF COMMITTEES

Bills are reported from a standing committee, read by their titles, together with the report accompanying them, and take their place on the Calendar, as follows:

By Senator Kerr for the **Finance Committee**:

H.B. 1248 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROTECT NORTH CAROLINA CITIZENS FROM LOSSES DUE TO FEDERAL TOBACCO LEGISLATION OR TOBACCO LITIGATION AND TO PROVIDE THAT FUNDS RECEIVED DUE TO SETTLEMENTS AND RELATED CONGRESSIONAL LEGISLATION SHALL BE SPENT ONLY PURSUANT TO APPROPRIATION BY THE GENERAL ASSEMBLY, with an unfavorable report as to Senate Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill No. 2, 6472, which changes the title, upon concurrence, to read, **H.B. 1248** (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROTECT NORTH CAROLINA CITIZENS FROM LOSSES DUE TO FEDERAL TOBACCO LEGISLATION OR TOBACCO LITIGATION AND TO PROVIDE THAT FUNDS RECEIVED DUE TO TOBACCO SETTLEMENTS AND RELATED CONGRESSIONAL LEGISLATION SHALL BE SPENT PURSUANT TO APPROPRIATION BY THE GENERAL ASSEMBLY, is adopted and engrossed.

H.B. 1326 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE USED IN DEFINING AND DETERMINING CERTAIN STATE TAX PROVISIONS, TO EXTEND THE CORPORATE INCOME TAX CARRYFORWARD FOR NET ECONOMIC LOSSES FROM FIVE YEARS TO TWENTY YEARS, TO ALLOW AN INCOME TAX DEDUCTION FOR EMPLOYEES' PAYMENTS TO THEIR

EMPLOYERS FOR PARKING, AND TO CONFORM TO FEDERAL GIFT TAX TREATMENT OF CONTRIBUTIONS TO QUALIFIED TUITION PROGRAMS, with an unfavorable report as to Committee Substitute bill No. 2, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 6473, which changes the title, upon concurrence, to read **H.B. 1326** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE USED IN DEFINING AND DETERMINING CERTAIN STATE TAX PROVISIONS, TO EXTEND THE CORPORATE INCOME TAX CARRYFORWARD FOR NET ECONOMIC LOSSES, TO CONFORM TO FEDERAL GIFT TAX TREATMENT OF CONTRIBUTIONS TO QUALIFIED TUITION PROGRAMS, AND TO CORRECT TWO REDLINING ERRORS IN 1998 TAX LEGISLATION, is adopted and engrossed.

H.B. 1737 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE CENTENNIAL CAMPUS AT NORTH CAROLINA STATE UNIVERSITY INCLUDES THE COLLEGE OF VETERINARY MEDICINE, TO CLARIFY THAT THE BOARD OF GOVERNORS HAS THE AUTHORITY TO DESIGNATE THE REAL ESTATE AND APPURTENANT FACILITIES THAT COMPRISE THE CENTENNIAL CAMPUS AT NORTH CAROLINA STATE UNIVERSITY, TO MODIFY THE AUTHORITY OF THE BOARD OF GOVERNORS WITH REGARD TO CERTAIN TYPES OF DISPOSITIONS OF CENTENNIAL CAMPUS PROPERTY, TO EXEMPT CERTAIN REAL ESTATE TRANSACTIONS ON THE CENTENNIAL CAMPUS FROM PAYMENT OF THE STATE LAND SERVICE CHARGE, AND TO LIMIT THE NUMBER OF YEARS STATE PROPERTY CAN BE LEASED TO NINETY-NINE YEARS, with a favorable report.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1539 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO REQUIRE THAT A FOOD OR RETAIL BUSINESS THAT HOLDS AN ABC PERMIT AND IS LOCATED IN AN URBAN REDEVELOPMENT AREA OR WITHIN FIFTEEN HUNDRED FEET OF A HIGH SCHOOL SHALL NOT HAVE ALCOHOLIC BEVERAGE SALES IN EXCESS OF FIFTY PERCENT OF THE BUSINESS'S TOTAL ANNUAL SALES, upon second reading.

With unanimous consent, on motion of Senator Reeves, the Committee Substitute bill No. 2 is withdrawn from today's Calendar and is re-referred to the **Appropriations Committee**.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A special message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1633 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ALLOW CORRECTION OF AN ERROR IN A 1921 SURVEY OF AN ANNEXATION

TO THE TOWN OF SPRUCE PINE.

Referred to **Finance Committee**.

CALENDAR *(Continued)*

H.B. 926 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS, upon second reading.

With unanimous consent, on motion of Senator Jenkins, the Senate Committee Substitute bill is withdrawn from today's Calendar and placed on the Calendar for Thursday, September 17, upon second reading.

Senator Basnight, President Pro Tempore, relinquishes the gavel to the President of the Senate, Lieutenant Governor Wicker, who presides.

S.B. 1360 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW AND TO PROVIDE THAT A MAJORITY OF MEMBERS OF THE ALAMANCE-BURLINGTON BOARD OF EDUCATION SHALL BE ELECTED IN 1998, for concurrence in the House Committee Substitute bill.

With unanimous consent, on motion of Senator Plyler, the House Committee Substitute bill is withdrawn from today's Calendar and placed on the Calendar for Thursday, September 17, for concurrence.

H.B. 1529 (Conference Report), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT, for adoption.

The Chair rules the measure does not require a call of the roll.

On motion of Senator Albertson, the Senate adopts the Conference Report (40-4).

The Chair orders a message sent to the House of Representatives informing that Honorable Body of such action.

CONFERENCE REPORT

H.B. 55

Senator Rand for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **H.B. 55** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE FEE FOR PURPLE HEART REGISTRATION PLATES, TO REQUIRE THE DIVISION OF MOTOR VEHICLES TO REDESIGN THE PURPLE HEART PLATE, AND TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A SPECIAL REGISTRATION PLATE TO A RECIPIENT OF THE SILVER STAR AND TO A RECIPIENT OF THE BRONZE STAR, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on House Bill 55, AN ACT TO ELIMINATE THE FEE FOR PURPLE HEART REGISTRATION PLATES, TO REQUIRE THE DIVISION OF

MOTOR VEHICLES TO REDESIGN THE PURPLE HEART PLATE, AND TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A SPECIAL REGISTRATION PLATE TO A RECIPIENT OF THE SILVER STAR AND TO A RECIPIENT OF THE BRONZE STAR, Senate Finance Committee Substitute Adopted 8/20/98, submit the following report:

The House and Senate agree to the following amendments to the Senate Committee Substitute, Senate Finance Committee Substitute Adopted 8/20/98, and the House concurs in the Senate Committee Substitute as amended:

on page 1, lines 6 and 7, by rewriting the lines to read:
"PLATE TO A RECIPIENT OF THE SILVER STAR, TO A RECIPIENT OF THE BRONZE STAR, AND TO A RECIPIENT OF THE DISTINGUISHED FLYING CROSS.";

and on page 2, line 24, by rewriting the line to read:

"Section 5. G.S. 20-79.4(b) is amended by adding a new subdivision to read:

'(12a) Distinguished Flying Cross. -- Issuable to a recipient of the Distinguished Flying Cross. The plate shall bear the emblem of the Distinguished Flying Cross and the words "Distinguished Flying Cross".'

Section 6. This act is effective when it becomes law.".

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: September 10, 1998.

S/Tony Rand	S/John Rayfield
S/John Carrington	Walter Dickson
S/David Hoyle	S/Charlotte Gardner
S/John H. Kerr	S/Alex Warner
S/Bev Perdue	
S/Larry Shaw	
Conferees for the Senate	*Conferees for the House of Representatives*

The Chair rules the Conference Report to be material and submission constitutes the first reading of the measure. The Conference Report is ordered placed on the Calendar for tomorrow, Wednesday, September 16, upon second reading.

On motion of Senator Basnight, seconded by Senator Jordan, the Senate adjourns at 2:19 P.M. to meet tomorrow, Wednesday, September 16, at 2:00 P.M.

ONE HUNDRED NINETY-EIGHTH DAY

Senate Chamber
Wednesday, September 16, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear Lord, the Psalmist wrote, 'Teach us to number our days, that we may apply our heart with wisdom.'

"We understand the arithmetic of numbered days here in the Senate. But we thank You for progress, for Your light on our pathway when there was none. Help the Senators finish those things that must still be done with grace and wisdom. For Your sake and the people's sake, Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Carpenter and Senator Clark.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Tuesday, September 15, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Mary Marks from Statesville, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

H.B. 1529, AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT.

The President extends the privileges of the floor to C.R. Edwards, former Senator from Cumberland County.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1326 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE USED IN DEFINING AND DETERMINING CERTAIN STATE TAX PROVISIONS, TO EXTEND THE CORPORATE INCOME TAX CARRYFORWARD FOR NET ECONOMIC LOSSES, TO CONFORM TO FEDERAL GIFT TAX TREATMENT OF CONTRIBUTIONS TO QUALIFIED TUITION PROGRAMS, AND TO CORRECT TWO REDLINING ERRORS IN 1998 TAX LEGISLATION, upon second reading.

The Senate Committee Substitute bill passes its second reading by roll-call vote, ayes 48, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carrington, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—48.

Voting in the negative: None.

The Senate Committee Substitute bill is ordered placed on the Calendar for tomorrow, Thursday, September 17, upon third reading.

H.B. 1248 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROTECT NORTH CAROLINA CITIZENS FROM LOSSES DUE TO FEDERAL TOBACCO LEGISLATION OR TOBACCO LITIGATION AND TO PROVIDE THAT FUNDS RECEIVED DUE TO TOBACCO SETTLEMENTS AND RELATED CONGRESSIONAL LEGISLATION SHALL BE SPENT PURSUANT TO APPROPRIATION BY THE GENERAL ASSEMBLY, upon second reading.

The President orders, without objection, the Senate Committee Substitute bill No. 2 temporarily displaced.

Upon the appearance of Senator Carpenter and Senator Clark in the Chamber, the Chair acknowledges their presence and the leaves of absence granted previously are withdrawn.

H.B. 1737 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE CENTENNIAL CAMPUS AT NORTH CAROLINA STATE UNIVERSITY INCLUDES THE COLLEGE OF VETERINARY MEDICINE, TO CLARIFY THAT THE BOARD OF GOVERNORS HAS THE AUTHORITY TO DESIGNATE THE REAL ESTATE AND APPURTENANT FACILITIES THAT COMPRISE THE CENTENNIAL CAMPUS AT NORTH CAROLINA STATE UNIVERSITY, TO MODIFY THE AUTHORITY OF THE BOARD OF GOVERNORS WITH REGARD TO CERTAIN TYPES OF DISPOSITIONS OF CENTENNIAL CAMPUS PROPERTY, TO EXEMPT CERTAIN REAL ESTATE TRANSACTIONS ON THE CENTENNIAL CAMPUS FROM PAYMENT OF THE STATE LAND SERVICE CHARGE, AND TO LIMIT THE NUMBER OF YEARS STATE PROPERTY CAN BE LEASED TO NINETY-NINE YEARS, upon second reading.

The Committee Substitute bill passes its second (49-1) and third readings and is ordered enrolled and sent to the Governor.

S.B. 1277 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE RULES OF CIVIL PROCEDURE, AND TO CLARIFY THE PUBLIC DUTY DOCTRINE AND THE TORT CLAIMS ACT, upon third reading.

Senator Dalton offers Amendment No. 1 which is adopted (35-14), and changes the title to read **S.B. 1277** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE RULES OF CIVIL PROCEDURE, AND TO STUDY CHANGES RELATIVE TO THE TORT CLAIMS ACT.

The Committee Substitute bill, as amended, passes its third reading (43-6) and is ordered engrossed and sent to the House of Representatives.

H.B. 55 (Conference Report), A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE FEE FOR PURPLE HEART REGISTRATION PLATES, TO REQUIRE THE

DIVISION OF MOTOR VEHICLES TO REDESIGN THE PURPLE HEART PLATE, AND TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A SPECIAL REGISTRATION PLATE TO A RECIPIENT OF THE SILVER STAR, TO A RECIPIENT OF THE BRONZE STAR, AND TO A RECIPIENT OF THE DISTINGUISHED FLYING CROSS, for adoption, upon second reading.

On motion of Senator Rand, the Senate adopts the Conference Report on its second reading by roll-call vote, ayes 49, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—49.

Voting in the negative: None.

The Conference Report remains on the Calendar for tomorrow, Thursday, September 17, for adoption, upon third reading.

H.B. 1248 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROTECT NORTH CAROLINA CITIZENS FROM LOSSES DUE TO FEDERAL TOBACCO LEGISLATION OR TOBACCO LITIGATION AND TO PROVIDE THAT FUNDS RECEIVED DUE TO TOBACCO SETTLEMENTS AND RELATED CONGRESSIONAL LEGISLATION SHALL BE SPENT PURSUANT TO APPROPRIATION BY THE GENERAL ASSEMBLY, upon second reading.

The Senate Committee Substitute bill No. 2 passes its second reading (48-0).

Senator Kerr objects to third reading of the measure. The President orders the measure placed on the Calendar for tomorrow, Thursday, September 17, upon third reading.

COMMITTEE REFERRAL RECALL

H.B. 1260 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE NORTH CAROLINA CODE OFFICIALS QUALIFICATION BOARD TO REQUIRE CODE-ENFORCEMENT OFFICIALS TO PARTICIPATE IN PROFESSIONAL DEVELOPMENT PROGRAMS AND TO RESTORE THE AUTHORITY OF LOCAL GOVERNMENTS TO ADOPT FLOODPLAIN MANAGEMENT ORDINANCES, referred to the **Appropriations Committee** on July 28.

Pursuant to Rule 47(a), Senator Perdue offers a motion that the Committee Substitute bill be withdrawn from the **Appropriations Committee** and re-referred to the **Finance Committee**, which motion prevails with unanimous consent.

The Chair orders the Committee Substitute bill withdrawn from the **Appropriations Committee** and re-refers the measure to the **Finance Committee**.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A special message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1263 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVIVE THE CHARTER OF THE TOWN OF UNIONVILLE AND TO REVIVE THE CHARTER OF THE TOWN OF WOODLAWN, for concurrence in the House Committee Substitute bill.

On motion of Senator Plyler, the rules are suspended, without objection, and the House Committee Substitute bill is placed before the Senate for immediate consideration.

The Senate fails to concur in the House Committee Substitute bill (6-43). Senator Plyler offers a motion that the Senate appoint conferees, which motion prevails.

Senator Ballance, Deputy President *Pro Tempore*, announces the appointments by Senator Basnight of Senator Plyler, Chairman, and Senator Carrington and Senator Purcell as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action and requesting conferees.

On motion of Senator Ballance, seconded by Senator Page, the Senate adjourns at 2:59 P.M. to meet tomorrow, Thursday, September 17, at 11:00 A.M.

ONE HUNDRED NINETY-NINTH DAY

Senate Chamber
Thursday, September 17, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Almighty God, when the turmoils of our existence tend to separate us from the calmness of Your divine presence, grant us the peace that only You can give, peace in this Legislature, peace in the chambers of our Nation's government, peace in our communities, our schools, families, homes and peace in our personal lives as we seek to look beyond all the complexities of this day to the calm assurance of Your presence and that peace which passes all understanding. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Dalton, Senator Hoyle, Senator Martin of Guilford, Senator Rucho, and Senator Weinstein.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Wednesday, September 16, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Ms. Jimmie Butts from Cary, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the

Governor:

H.B. 1483, AN ACT TO EXPEDITE THE CLOSURE OF LOW RISK LEAKING PETROLEUM UNDERGROUND STORAGE TANK CLEANUPS BY ALLOWING THE COST OF OBTAINING THE ADDITIONAL INFORMATION REQUIRED TO ASSESS THE RISK OF RELEASES REPORTED PRIOR TO THE EFFECTIVE DATE OF THE RISK ASSESSMENT RULES TO BE PAID FROM THE COMMERCIAL FUND OR THE NONCOMMERCIAL FUND UNDER CERTAIN CIRCUMSTANCES, TO PROVIDE THAT THE COST OF CONNECTING THIRD PARTIES TO PUBLIC WATER SYSTEMS MAY BE PAID FROM THE COMMERCIAL FUND OR THE NONCOMMERCIAL FUND UNDER CERTAIN CIRCUMSTANCES, TO MAKE LANDOWNERS ELIGIBLE FOR REIMBURSEMENT OF CLEAN UP COSTS FROM THE NONCOMMERCIAL FUND UNDER CERTAIN CIRCUMSTANCES, TO AUTHORIZE THE ENVIRONMENTAL MANAGEMENT COMMISSION TO REQUIRE THAT ASSESSMENT AND CLEANUP TASKS AND COSTS BE PREAPPROVED BEFORE WORK PROCEEDS, TO MAKE PETROLEUM COMMERCIAL UNDERGROUND STORAGE TANK OPERATING PERMITS SUBJECT TO ADDITIONAL FEDERAL REQUIREMENTS APPLICABLE IN 1998, TO PROVIDE FOR ASSIGNMENT OF PAYMENTS FROM THE COMMERCIAL FUND AND THE NONCOMMERCIAL FUND, TO ESTABLISH A DE MINIMIS REPORTING REQUIREMENT FOR PETROLEUM UNDERGROUND STORAGE TANK SPILLS AND OVERFILLS OF LESS THAN TWENTY-FIVE GALLONS THAT ARE CLEANED UP WITHIN TWENTY-FOUR HOURS, TO PROVIDE THAT FEDERAL LIMITATIONS ON LENDER LIABILITY APPLY TO THE LEAKING PETROLEUM UNDERGROUND STORAGE TANK CLEANUP PROGRAM, TO PROVIDE THAT RULES APPLICABLE TO COMMERCIAL UNDERGROUND STORAGE TANKS DO NOT APPLY TO CERTAIN TANKS, AND TO MAKE RELATED CONFORMING AND TECHNICAL AMENDMENTS.

H.B. 1518, AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE EAGLE SCOUT SPECIAL REGISTRATION PLATES TO EAGLE SCOUTS OR THEIR PARENTS OR GUARDIANS, TO ISSUE GIRL SCOUT GOLD AWARD SPECIAL REGISTRATION PLATES TO RECIPIENTS OF THE GIRL SCOUT GOLD AWARD OR THEIR PARENTS OR GUARDIANS, AND TO ISSUE SMALLER REGISTRATION PLATES FOR MOTORCYCLES AND MOTORCYCLE TRAILERS.

H.B. 1737, AN ACT TO PROVIDE THAT THE CENTENNIAL CAMPUS AT NORTH CAROLINA STATE UNIVERSITY INCLUDES THE COLLEGE OF VETERINARY MEDICINE, TO CLARIFY THAT THE BOARD OF GOVERNORS HAS THE AUTHORITY TO DESIGNATE THE REAL ESTATE AND APPURTENANT FACILITIES THAT COMPRISE THE CENTENNIAL CAMPUS AT NORTH CAROLINA STATE UNIVERSITY, TO MODIFY THE AUTHORITY OF THE BOARD OF GOVERNORS WITH REGARD TO CERTAIN TYPES OF DISPOSITIONS OF CENTENNIAL CAMPUS PROPERTY, TO EXEMPT CERTAIN REAL ESTATE TRANSACTIONS ON THE CENTENNIAL CAMPUS FROM PAYMENT OF THE STATE LAND SERVICE CHARGE, AND TO LIMIT THE NUMBER OF YEARS STATE PROPERTY CAN BE LEASED TO NINETY-NINE YEARS.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

S.B. 1509, AN ACT TO ALLOW THE CITY OF DURHAM TO DISCLOSE LIMITED PERSONNEL INFORMATION TO THE MEMBERS OF THE CITIZEN REVIEW BOARD TO FACILITATE ITS REVIEW OF POLICE DISCIPLINARY CASES. (Became law upon ratification, September 15, 1998 - S.L. 1998-142.)

S.B. 1514, AN ACT TO INCORPORATE THE TOWN OF HEMBY BRIDGE, AND CONCERNING ANNEXATION IN HARNETT COUNTY. (Became law upon ratification, September 15, 1998 - S.L. 1998-143.)

H.B. 1332, AN ACT TO ALLOW THE CITY OF GREENVILLE TO UNDERTAKE ONE DOWNTOWN DEVELOPMENT PROJECT SUBJECT TO CERTAIN CONDITIONS. (Became law upon ratification, September 15, 1998 - S.L. 1998-144.)

H.B. 1613, AN ACT ABOLISHING THE OFFICE OF CORONER IN MARTIN AND ROCKINGHAM COUNTIES. (Became law upon ratification, September 15, 1998 - S.L. 1998-145.)

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1448 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE FISHERIES REFORM ACT OF 1997 AND RELATED MARINE FISHERIES LAWS, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE.

Referred to **Agriculture/Environment/Natural Resources Committee** and upon a favorable report re-referred to the **Finance Committee**.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.B. 55 House of Representatives
September 17, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House has adopted the report of the Conferees on Senate Committee Substitute for HB 55, A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE FEE FOR PURPLE HEART REGISTRATION PLATES, TO REQUIRE THE DIVISION OF MOTOR VEHICLES TO REDESIGN THE PURPLE HEART PLATE, AND TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A SPECIAL REGISTRATION

PLATE TO A RECIPIENT OF THE SILVER STAR, TO A RECIPIENT OF THE BRONZE STAR, AND TO A RECIPIENT OF THE DISTINGUISHED FLYING CROSS, to the end that when a similar action has been taken on the part of the Senate, we will order the bill enrolled.

Respectfully,
S/Denise Weeks/cwc
Principal Clerk

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1360 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW AND TO PROVIDE THAT A MAJORITY OF MEMBERS OF THE ALAMANCE-BURLINGTON BOARD OF EDUCATION SHALL BE ELECTED IN 1998, for concurrence in the House Committee Substitute bill.

With unanimous consent, on motion of Senator Plyler, the House Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, September 23, for concurrence.

REPORT OF COMMITTEE

Bills are reported from a standing committee, read by their titles, together with the report accompanying them, and take their place on the Calendar, as follows:

H.B. 1260 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE NORTH CAROLINA CODE OFFICIALS QUALIFICATION BOARD TO REQUIRE CODE-ENFORCEMENT OFFICIALS TO PARTICIPATE IN PROFESSIONAL DEVELOPMENT PROGRAMS AND TO RESTORE THE AUTHORITY OF LOCAL GOVERNMENTS TO ADOPT FLOODPLAIN MANAGEMENT ORDINANCES, with an unfavorable report as to Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 1618, which changes the title, upon concurrence, to read **H.B. 1260** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO RESTORE THE AUTHORITY OF LOCAL GOVERNMENTS TO ADOPT FLOODPLAIN MANAGEMENT ORDINANCES, is adopted and engrossed.

With unanimous consent, on motion of Senator Plyler, the Senate Committee Substitute bill is placed on today's Calendar.

H.B. 1633 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ALLOW CORRECTION OF AN ERROR IN A 1921 SURVEY OF AN ANNEXATION TO THE TOWN OF SPRUCE PINE, with an unfavorable report as to Committee Substitute bill No. 2, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 2429, which changes the title, upon concurrence, to read **H.B. 1633** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW CORRECTION OF AN ERROR IN A 1921 SURVEY OF AN ANNEXATION TO THE TOWN OF SPRUE PINE AND TO

CLARIFY THE BOUNDARIES OF THE TOWN OF MOCKSVILLE BY ANNEXING AN AREA WHOLLY SURROUNDED BY THE CORPORATE LIMITS, SOME OF WHICH AN ACCURATE SURVEY HAS NOW SHOWN TO HAVE BEEN ANNEXED IN 1895 BUT NOT RECOGNIZED AS PART OF THE TOWN UNTIL A RECENT SURVEY, is adopted and engrossed.

With unanimous consent, on motion of Senator Plyler, the Senate Committee Substitute bill No. 2 is placed on today's Calendar.

DISMISSAL OF CONFEREES/RECONSIDERATION

S.B. 1263 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVIVE THE CHARTER OF THE TOWN OF UNIONVILLE AND TO REVIVE THE CHARTER OF THE TOWN OF WOODLAWN.

Senator Plyler offers a motion that the Conferees appointed by the Senate to resolve the differences in the House Committee Substitute bill be dismissed and, having voted in the majority, he further moves that the vote by which the Senate failed to concur in the House Committee Substitute be reconsidered, which motions prevail. The question before the Body becomes concurrence in the House Committee Substitute for S.B. 1263.

The Senate concurs in the House Committee Substitute bill on its second reading by roll-call vote, ayes 44, noes, 0, as follows:

Voting in the affirmative: Senators Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Wellons, and Winner—44.

Voting in the negative: None.

The House Committee Substitute bill is ordered placed on the Calendar for Friday, September 18, for concurrence, upon third reading.

CALENDAR *(Continued)*

H.B. 1326 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE USED IN DEFINING AND DETERMINING CERTAIN STATE TAX PROVISIONS, TO EXTEND THE CORPORATE INCOME TAX CARRYFORWARD FOR NET ECONOMIC LOSSES, TO CONFORM TO FEDERAL GIFT TAX TREATMENT OF CONTRIBUTIONS TO QUALIFIED TUITION PROGRAMS, AND TO CORRECT TWO REDLINING ERRORS IN 1998 TAX LEGISLATION, upon third reading.

Upon the appearance of Senator Martin of Guilford in the Chamber, the Chair acknowledges his presence and the leave of absence granted previously is withdrawn.

The Senate Committee Substitute bill passes its third reading by roll-call vote, ayes 44, noes 0, as follows:

Voting in the affirmative: Senators Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Wellons, and Winner—44.

Voting in the negative: None.

The Senate Committee Substitute bill is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 926 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS, upon second reading.

With unanimous consent, on motion of Senator Jenkins, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, September 23, upon second reading.

H.B. 1248 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROTECT NORTH CAROLINA CITIZENS FROM LOSSES DUE TO FEDERAL TOBACCO LEGISLATION OR TOBACCO LITIGATION AND TO PROVIDE THAT FUNDS RECEIVED DUE TO TOBACCO SETTLEMENTS AND RELATED CONGRESSIONAL LEGISLATION SHALL BE SPENT PURSUANT TO APPROPRIATION BY THE GENERAL ASSEMBLY, upon third reading.

The Senate Committee Substitute bill No.2 passes its third reading (44-0) and is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill No. 2.

H.B. 55 (Conference Report), A BILL TO BE ENTITLED AN ACT TO ELIMINATE THE FEE FOR PURPLE HEART REGISTRATION PLATES, TO REQUIRE THE DIVISION OF MOTOR VEHICLES TO REDESIGN THE PURPLE HEART PLATE, AND TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A SPECIAL REGISTRATION PLATE TO A RECIPIENT OF THE SILVER STAR, TO A RECIPIENT OF THE BRONZE STAR, AND TO A RECIPIENT OF THE DISTINGUISHED FLYING CROSS, for adoption, upon third reading.

On motion of Senator Rand, the Senate adopts the Conference Report on its third reading by roll-call vote, ayes 45, noes 0, as follows:

Voting in the affirmative: Senators Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Wellons, and Winner—45.

Voting in the negative: None.

The Chair orders a message sent to the House of Representatives informing that Honorable Body of such action.

H.B. 1260 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO RESTORE THE AUTHORITY OF LOCAL GOVERNMENTS TO ADOPT FLOODPLAIN MANAGEMENT ORDINANCES, upon second reading.

With unanimous consent, the President grants a leave of absence for the remainder of today's Session to Senator Webster.

The Senate Committee Substitute bill passes its second (42-0) and third readings and is ordered sent by special messenger to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 1633 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW CORRECTION OF AN ERROR IN A 1921 SURVEY OF AN ANNEXATION

TO THE TOWN OF SPRUCE PINE AND TO CLARIFY THE BOUNDARIES OF THE TOWN OF MOCKSVILLE BY ANNEXING AN AREA WHOLLY SURROUNDED BY THE CORPORATE LIMITS, SOME OF WHICH AN ACCURATE SURVEY HAS NOW SHOWN TO HAVE BEEN ANNEXED IN 1895 BUT NOT RECOGNIZED AS PART OF THE TOWN UNTIL A RECENT SURVEY, upon second reading.

Senator Soles offers Amendment No. 1, which is adopted (41-1) and held to be material, constituting the first reading of the measure.

The Senate Committee Substitute bill, as amended, is ordered placed on the Calendar for Friday, September 18, upon second reading.

CONFERENCE REPORT

H.B. 534

Senator Reeves for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **H.B. 534** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW INCOME WITHHOLDING TO ENFORCE SUPPORT ORDERS, AND THE AWARDING OF ALIMONY, AS RECOMMENDED BY THE FAMILY LAW SECTION OF THE NORTH CAROLINA BAR ASSOCIATION, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on House Bill 534, A BILL TO BE ENTITLED AN ACT TO ALLOW INCOME WITHHOLDING TO ENFORCE SUPPORT ORDERS, AND THE AWARDING OF ALIMONY, AS RECOMMENDED BY THE FAMILY LAW SECTION OF THE NORTH CAROLINA BAR ASSOCIATION, Senate Judiciary Committee Substitute Adopted 8/10/98, submit the following report:

The House and Senate agree to the following amendments to the Senate Committee Substitute, Senate Judiciary Committee Substitute Adopted 8/10/98, and the House concurs in the Senate Committee Substitute as amended:

on page 1, line 2, by rewriting the line to read:
"AN ACT TO ALLOW THE TRANSFER OF PROPERTY AND INCOME WITHHOLDING TO ENFORCE SUPPORT";

and on page 1, between lines 6 and 7, by inserting the following between those lines:
"Section 1. G.S. 50-13.4(e) reads as rewritten:
'(e) Payment for the support of a minor child shall be paid by lump sum payment, periodic payments, or by transfer of title or possession of personal property of any interest therein, or a security interest in or possession of real property, as the court may order. The court may order the transfer of title to real property solely owned by the obligor in payment of arrearages of child support so long as the net value of the interest in the property being transferred does not exceed the amount of the arrearage being satisfied. In every case in which payment for the support of a minor child is ordered and alimony or postseparation support is also ordered, the order shall separately state and identify each allowance.' ";

and by renumbering the remaining sections accordingly;

and on page 1, line 11, by rewriting the line to read:
"property, as the court may order. The court may order the transfer of title to real property solely owned by the obligor in payment of lump-sum payments of alimony or postseparation support or in payment of arrearages of alimony or postseparation support so long as the net value of the interest in the property being transferred does not exceed the amount of the arrearage being satisfied. In every case in which either alimony or";

and on page 2, line 3, by deleting the number "(3)" and substituting the number "(4)";

and on page 2, lines 13-17, by rewriting the lines to read:
"a. Whether the proposed withholding is based on the obligor's failure to make legally obligated ~~payments in an amount equal to the support payable for one month~~, child support, alimony or postseparation support payments on the obligor's request for withholding, on the obligee's request for withholding, or on the obligor's eligibility for withholding under G.S. 110-136.3(b)(3);" ;

and on page 3, lines 1-2, by rewriting the lines to read:
"(1) Withhold from the obligor's disposable income and, within 7 business days of the date the obligor is paid, send to the clerk of superior court or State collection and disbursement unit, as";

and on page 3, lines 11-12, by rewriting the lines to read:
"(2) Continue withholding until further notice from the IV-D agency, the clerk of superior court, or the State collection and disbursement unit;" ;

and on page 3, line 20, by rewriting the line to read:
"court or the State collection and disbursement unit in a non-IV-D case, in writing:";

and on page 4, line 9, by deleting the word "being";

and on page 4, line 10, by adding after the word "marital" the words "or divisible";

and on page 4, line 11, by adding after the word "marital" the words "or divisible";

and on page 4, lines 12-14, by rewriting the lines to read:
"Section 12. This act becomes effective January 1, 1999. Sections 1 through 10 of this act apply to actions pending on or after the effective date. Section 11 applies to actions filed on or after the effective date."

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: September 15, 1998.

S/Eric Miller Reeves
S/Frank W. Ballance, Jr.

S/C. B. Neely
S/Joe Hackney

S/R. A. Cooper, III
S/Fletcher L. Hartsell, Jr.

Conferees for the Senate

S/Bill Culpepper
S/Charlotte A. Gardner
S/Lanier M. Cansler

Conferees for the House of Representatives

Upon motion of Senator Reeves, the Conference Report is ordered placed on the Calendar for Wednesday, September 23, 1998, for adoption.

The Senate recesses at 11:53 a.m. to reconvene at 11:57 a.m.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

On motion of Senator Basnight, seconded by Senator McDaniel, the Senate adjourns at 11:59 A.M. to meet tomorrow, Friday, September 18, at 10:00 A.M.

TWO HUNDREDTH DAY

Senate Chamber
Friday, September 18, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear Lord, taking a small liberty with a verse most of us memorized and recited as children we pray: 'This is the day the Lord hath made. Let us rejoice but get on with it.' To Your Glory we pray, Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Carpenter, Senator Carrington, Senator Clark, Senator Cochrane, Senator Dalton, Senator Forrester, Senator Foxx, Senator Garwood, Senator Hoyle, Senator Ledbetter, Senator Moore, Senator Page, Senator Rucho, Senator Soles, Senator Warren and Senator Weinstein.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Thursday, September 17, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

September 18, 1998

H.B. 1318, AN ACT TO LIMIT THE NONRESIDENT WITHHOLDING REQUIREMENT TO ATHLETES AND ENTERTAINERS, TO INCREASE THE THRESHOLD REQUIREMENT FOR NONRESIDENT WITHHOLDING, AND TO PROVIDE A MECHANISM TO ENHANCE COLLECTION OF TAXES FROM NONRESIDENTS ENGAGED IN CONSTRUCTION-RELATED BUSINESSES.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 916 (House Committee Substitute) A BILL TO BE ENTITLED AN ACT TO REWRITE THE LAWS REGULATING COSMETIC ART AND TO REGULATE THE PRACTICE OF MASSAGE AND BODYWORK THERAPY, for concurrence in House Committee Substitute.

Referred to **Finance Committee**.

S.B. 1202 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE COUNTY CONVEYANCE OF SURPLUS AUTOMOBILES TO A NOT-FOR-PROFIT RECIPIENT FOR SUBSEQUENT CONVEYANCE TO WORK FIRST PARTICIPANTS, for concurrence in House Committee Substitute No. 2, which is placed on the Calendar for Monday, September 21.

S.B. 1299 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE LAWS REGARDING THE WITHDRAWAL AND TRANSFER OF SURFACE WATERS AND THE STATE WATER SUPPLY PLAN, for concurrence in House Committee Substitute No. 2, which is placed on the Calendar for Monday, September 21.

S.B. 1312 (House Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO ALLOW CERTAIN COUNTIES TO ACQUIRE PROPERTY FOR USE BY THEIR COUNTY BOARDS OF EDUCATION for concurrence in House Committee Substitute No. 3.

Referred to **Education/Higher Education Committee** and upon a favorable report re-referred to the **Finance Committee**.

H.B. 1720 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE GENERAL STATUTES PERTAINING TO CUSTODY OF ABUSED AND NEGLECTED JUVENILES AND JUVENILES PLACED FOR ADOPTION IN CONFORMANCE WITH FEDERAL ADOPTION AND SAFE FAMILIES ACT REQUIREMENTS, AND TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY CHANGES TO THE JUVENILE JUSTICE SYSTEM PERTAINING TO CHILD ABUSE, NEGLECT, AND DEPENDENCY.

Referred to **Judiciary Committee**.

On motion of Senator Basnight, seconded by Senator Shaw of Guilford, the Senate adjourns at 10:16 A.M., with bills remaining on the Calendar as unfinished business, to meet Monday, September 21, at 7:00 P.M.

TWO HUNDRED FIRST DAY

Senate Chamber
Monday, September 21, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Honorable Howard Lee, Senator from Orange County, as follows:

"We confess to You, Oh God, that we have traded our robes of faith for the political fashions of the times. We have exchanged our robes of compassion for a garment of intolerance. We are consumed by our clothes of selfishness, rather than dressing for the role of caring.

"We exhibit malice rather than compassion. We often speak words of rumor rather than words of truth. We display attitudes of intolerance rather than humility. We portray restlessness rather than assurance. We often clothe ourselves in garments of condemnation rather than displaying forgiveness.

"Oh God, help us to change our wardrobe for garments that are more in line with Your fashion statement. You have taught us that it is always in style to feel and express compassion, tolerance, selflessness, truth, tolerance, humility, and calmness. Help us to join together to work for the good of the people who have entrusted their future to us. Help us to understand clearly the importance of being good models of the robes we wear. Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator Ballance, Senator Hoyle, Senator Martin of Pitt, and Senator Shaw of Cumberland.

Senator Basnight, President *Pro Tempore*, announces the Journal of Friday, September 18, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of Secretary of State:

S.B. 1230, AN ACT TO CLARIFY THE TAXATION OF KEROSENE AND TO MAKE OTHER CHANGES IN THE MOTOR FUEL TAX LAWS. (Became law upon approval of the Governor, September 18, 1998 - S.L. 1998-146.)

S.B. 1407, AN ACT TO PROVIDE BENEFITS UNDER THE REGISTERS OF DEEDS' SUPPLEMENTAL PENSION FUND ACT TO REGISTERS OF DEEDS WHO ARE OTHERWISE NOT ELIGIBLE SOLELY BECAUSE THE COUNTY DOES NOT PARTICIPATE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM. (Became law upon approval of the Governor, September 18, 1998 - S.L. 1998-147.)

H.B. 1342, AN ACT TO AMEND AND CLARIFY THE RENUNCIATION OF PROPERTY AND RENUNCIATION OF FIDUCIARY POWERS ACT. (Became law upon approval of the Governor, September 18, 1998 - S.L. 1998-148.)

H.B. 1474, AN ACT TO AMEND THE MOTOR VEHICLE LAWS TO CONFORM WITH FEDERAL LAW AND TO MAKE TECHNICAL AND OTHER CHANGES. (Became law upon approval of the Governor, September 18, 1998 - S.L. 1998-149.)

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1429 (Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO SET THE PUBLIC UTILITY REGULATORY FEE, TO SET THE INSURANCE REGULATORY CHARGE FOR CALENDAR YEAR 1998, TO AMEND PROVISIONS IN THE INSURANCE LAWS DEALING WITH EXAMINATIONS OF INSURANCE COMPANIES AND AUDITS OF THEIR FINANCIAL STATEMENTS, TO CLARIFY THE LAW ON INSURERS' FUNDING AGREEMENT RESERVES, TO AMEND THE LAW GOVERNING INSURERS' INVESTMENTS IN MORTGAGE LOANS AND MORTGAGE SECURITIES, AND TO CONFORM THE INSURANCE SURCHARGE LAW TO A RECENT ENACTMENT.

Referred to **Finance Committee**.

CALENDAR

Bills on the Calendar carried forward as unfinished business from Friday, September 18, are taken up and disposed of, as follows:

H.B. 1633 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW CORRECTION OF AN ERROR IN A 1921 SURVEY OF AN ANNEXATION TO THE TOWN OF SPRUCE PINE, TO ANNEX CERTAIN DESCRIBED TERRITORY TO THE TOWN OF LAKE WACCAMAW, AND TO CLARIFY THE BOUNDARIES OF THE TOWN OF MOCKSVILLE BY ANNEXING AN AREA WHOLLY SURROUNDED BY THE CORPORATE LIMITS, SOME OF WHICH AN ACCURATE SURVEY HAS NOW SHOWN TO HAVE BEEN ANNEXED IN 1895 BUT NOT RECOGNIZED AS PART OF THE TOWN UNTIL A RECENT SURVEY, upon second reading.

The Senate Committee Substitute bill passes its second reading by roll-call vote, ayes 37, noes 1, as follows:

Voting in the affirmative: Senators Albertson, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Horton, Jenkins, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, Miller, Moore, Odom, Page, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—37.

Voting in the negative: Senator McDaniel—1.

The Senate Committee Substitute bill is ordered placed on the Calendar for tomorrow, Tuesday, September 22, upon third reading.

S.B. 1263 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVIVE THE CHARTER OF THE TOWN OF UNIONVILLE AND TO REVIVE THE CHARTER OF THE TOWN OF WOODLAWN, for concurrence in the House Committee Substitute bill, upon third reading.

With unanimous consent, on motion of Senator Plyler, the House Committee Substitute bill is withdrawn from tonight's Calendar and placed on the Calendar for tomorrow, Tuesday, September 22, as the first order of business.

Bills on tonight's Calendar are taken up and disposed of, as follows:

S.B. 1299 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE LAWS REGARDING THE WITHDRAWAL AND TRANSFER OF SURFACE WATERS AND THE STATE WATER SUPPLY PLAN, for concurrence in the House Committee Substitute bill, upon second reading.

The House Committee Substitute bill No. 2 passes its second reading by roll-call vote, ayes 41, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Horton, Jenkins, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—41.

Voting in the negative: None.

The House Committee Substitute bill No. 2 is ordered placed on the Calendar for tomorrow, Tuesday, September 22, upon third reading.

S.B. 1202 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE COUNTY CONVEYANCE OF SURPLUS AUTOMOBILES TO A NOT-FOR-PROFIT RECIPIENT FOR SUBSEQUENT CONVEYANCE TO WORK FIRST PARTICIPANTS, for concurrence in House Committee Substitute bill No. 2.

The Senate fails to concur in House Committee Substitute bill No. 2 (9-31).

Senator Dannelly offers a motion that the Senate appoint conferees, which motion prevails.

The President *Pro Tempore* appoints Senator Dannelly, Chairman, and Senator Cooper, Senator Lucas and Senator Martin of Guilford as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action and requesting conferees.

PERMISSION TO FILE A RESOLUTION

Senator Blust rises to a point of order and offers a motion, pursuant to Rule 40.1, that he be allowed to file a joint resolution authorizing the General Assembly to consider a bill pertaining to salaries and retirement benefits for the 1998-99 fiscal year.

The Chair rules that pursuant to the 1997 adjournment Resolution, he is allowed to file the joint resolution without a motion.

COMMITTEE REFERRAL RECALL

H.B. 1448 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE FISHERIES REFORM ACT OF 1997 AND RELATED MARINE

FISHERIES LAWS, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE, referred to the **Agriculture/Environment/Natural Resources Committee** on September 17.

Pursuant to Rule 47(a), Senator Albertson offers a motion that Committee Substitute bill No. 2 be withdrawn from the **Agriculture/Environment/Natural Resources Committee** and re-referred to the **Finance Committee**, which motion prevails with unanimous consent.

The Chair orders Committee Substitute bill No. 2 withdrawn from the **Agriculture/Environment/Natural Resources Committee** and refers the measure to the **Finance Committee**.

H.B. 1055 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE MANDATORY ARBITRATION OF CLAIMS RELATED TO DEFECTIVE SEED, referred to the **Agriculture/Environment/Natural Resources Committee** on September 14.

Pursuant to Rule 47(a), Senator Albertson offers a motion that Committee Substitute bill No. 2 be withdrawn from the **Agriculture/Environment/Natural Resources Committee** and re-referred to the **Finance Committee**, which motion prevails with unanimous consent.

The Chair orders Committee Substitute bill No. 2 withdrawn from the **Agriculture/Environment/Natural Resources Committee** and refers the measure to the **Finance Committee**.

H.B. 1490, A BILL TO BE ENTITLED AN ACT TO EXTEND THE TIME FOR THE RESOLUTION OF CLAIMS TO LAND UNDER NAVIGABLE WATERS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, referred to the **Agriculture/Environment/Natural Resources Committee** on September 7.

Pursuant to Rule 47(a), Senator Albertson offers a motion that the bill be withdrawn from the **Agriculture/Environment/Natural Resources Committee** and re-referred to the **Finance Committee**, which motion prevails with unanimous consent.

The Chair orders the bill withdrawn from the **Agriculture/Environment/Natural Resources Committee** and refers the measure to the **Finance Committee**.

On motion of Senator Basnight, seconded by Senator Ballantine, the Senate adjourns at 7:30 P.M. to meet tomorrow, Tuesday, September 22, at 2:00 P.M.

TWO HUNDRED SECOND DAY

Senate Chamber
Tuesday, September 22, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

" 'For I know the plans I have for you,' declares the Lord, 'plans to prosper you and not to harm you, plans to give you hope and a future.' (Jeremiah 29:11)

"May that great promise and Your Spirit convey a bridge of positive communication this week between the Senate and House, so that when their deliberations are complete, they may be able to say to the people of our State, 'We know the plans we have for you, plans to prosper you, plans to give you hope and a bright future.' Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Garwood.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Monday, September 21, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

H.B. 55, AN ACT TO ELIMINATE THE FEE FOR PURPLE HEART REGISTRATION PLATES, TO REQUIRE THE DIVISION OF MOTOR VEHICLES TO REDESIGN THE PURPLE HEART PLATE, AND TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A SPECIAL REGISTRATION PLATE TO A RECIPIENT OF THE SILVER STAR, TO A RECIPIENT OF THE BRONZE STAR, AND TO A RECIPIENT OF THE DISTINGUISHED FLYING CROSS.

INTRODUCTION OF A RESOLUTION

A resolution filed for introduction is presented to the Senate, read the first time, and disposed of, as follows:

By Senators Blust, Ballantine, Carpenter, Clark, Cochrane, East, Forrester, Foxx, Garwood, Horton, Ledbetter, McDaniel, Moore, Rucho and Shaw of Guilford:

S.J.R. 1604, A JOINT RESOLUTION AUTHORIZING THE 1997 GENERAL ASSEMBLY, REGULAR SESSION 1998, TO CONSIDER A BILL TO BE ENTITLED AN ACT TO ENACT THE SALARIES AND RETIREMENT BENEFITS FOR THE 1998-99 FISCAL YEAR.

Referred to **Rules and Operations of the Senate Committee**.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1263 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVIVE THE CHARTER OF THE TOWN OF UNIONVILLE AND TO REVIVE THE CHARTER OF THE TOWN OF WOODLAWN, for concurrence in the House Committee Substitute bill, upon third reading.

The Senate concurs in the House Committee Substitute bill on its third reading by roll-call vote, ayes 41, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Gulley, Hartsell, Horton, Hoyle, Jenkins, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt,

Martin of Guilford, McDaniel, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—41.

Voting in the negative: None.

The House Committee Substitute bill is ordered enrolled.

H.B. 1633 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW CORRECTION OF AN ERROR IN A 1921 SURVEY OF AN ANNEXATION TO THE TOWN OF SPRUCE PINE, TO ANNEX CERTAIN DESCRIBED TERRITORY TO THE TOWN OF LAKE WACCAMAW, AND TO CLARIFY THE BOUNDARIES OF THE TOWN OF MOCKSVILLE BY ANNEXING AN AREA WHOLLY SURROUNDED BY THE CORPORATE LIMITS, SOME OF WHICH AN ACCURATE SURVEY HAS NOW SHOWN TO HAVE BEEN ANNEXED IN 1895 BUT NOT RECOGNIZED AS PART OF THE TOWN UNTIL A RECENT SURVEY, upon third reading.

The Senate Committee Substitute bill passes its third reading by roll-call vote, ayes 40, noes 1, as follows:

Voting in the affirmative: Senators Albertson, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Gulley, Hartsell, Horton, Hoyle, Jenkins, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—40.

Voting in the negative: Senator McDaniel—1.

The Senate Committee Substitute bill is ordered, without objection, sent by special messenger to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

S.B. 1299 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE LAWS REGARDING THE WITHDRAWAL AND TRANSFER OF SURFACE WATERS AND THE STATE WATER SUPPLY PLAN, for concurrence in House Committee Substitute bill No. 2, upon third reading.

The Senate concurs in the House Committee Substitute bill No. 2 on its third reading by roll-call vote, ayes 41, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Gulley, Hartsell, Horton, Hoyle, Jenkins, Kerr, Kinnaird, Ledbetter, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—41.

Voting in the negative: None.

The House Committee Substitute bill No. 2 is ordered enrolled and sent to the Governor.

COMMITTEE REFERRAL RECALL

S.B. 879, A BILL TO BE ENTITLED AN ACT TO AMEND THE LAWS OF NORTH CAROLINA, referred to the **Rules and Operations of the Senate Committee** on April 15, 1997.

Pursuant to Rule 47(a), Senator Rand offers a motion that the bill be withdrawn from the **Rules and Operations of the Senate Committee** and re-referred to the

Appropriations Committee, which motion prevails, with unanimous consent.

The Chair orders the bill withdrawn from the **Rules and Operations of the Senate Committee** and refers the measure to the **Appropriations Committee.**

S.B. 1262, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS, referred to the **Rules and Operations of the Senate Committee** on May 27.

Pursuant to Rule 47(a), Senator Rand offers a motion that the bill be withdrawn from the **Rules and Operations of the Senate Committee** and re-referred to the **Appropriations Committee,** which motion prevails, with unanimous consent.

The Chair orders the bill withdrawn from the **Rules and Operations of the Senate Committee** and refers the measure to the **Appropriations Committee.**

CONFERENCE REPORT

H.B. 1304

Senator Perdue for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **H.B. 1304** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REFORM THE BOARD OF TRANSPORTATION BY ALTERING ITS GOVERNANCE STRUCTURE, AUTHORIZING A NEW ETHICS POLICY, REQUIRING DISCLOSURE OF POLITICAL CONTRIBUTIONS BY BOARD MEMBERS, INCREASING PUBLIC PARTICIPATION IN ITS DECISIONS, AND CHANGING THE PENALTIES FOR MISUSE OF A DOT BOARD POSITION, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the House of Representatives and the Senate on House Bill 1304, A BILL TO BE ENTITLED AN ACT TO REFORM THE BOARD OF TRANSPORTATION BY ALTERING ITS GOVERNANCE STRUCTURE, AUTHORIZING A NEW ETHICS POLICY, REQUIRING DISCLOSURE OF POLITICAL CONTRIBUTIONS BY BOARD MEMBERS, INCREASING PUBLIC PARTICIPATION IN ITS DECISIONS, AND CHANGING THE PENALTIES FOR MISUSE OF A DOT BOARD POSITION, Senate Committee Substitute, Seventh Edition Engrossed 8/4/98, submit the following report:

The Senate and the House of Representatives agree to the following amendment to the Senate Committee Substitute, Seventh Edition Engrossed 8/4/98, and the Senate concurs in the Senate Committee Substitute, Seventh Edition Engrossed 8/4/98, with the following amendment:

Delete the entire Senate Committee Substitute, Seventh Edition Engrossed 8/4/98, and substitute the attached Proposed Conference Committee Substitute H1304-PCCS3188-RW003C.

The conferees recommend that the House of Representatives and the Senate adopt this report.

Date conferees approved report: September 9, 1998.

S/Bev Perdue
S/David Hoyle
S/Luther H. Jordan, Jr.
S/Eleanor Kinnaird
S/Larry Shaw
S/Robert G. Shaw

Conferees for the Senate

S/Joanne W. Bowie
S/Charles M. Buchanan
S/Jim Gulley
S/Wayne Sexton
S/Ronnie Sutton
S/Wilma M. Sherrill

Conferees for the House of Representatives

The text of the attached proposed Conference Committee Substitute bill H1304-PCCS 3188-RW003C is as follows:

A BILL TO BE ENTITLED

AN ACT TO REFORM THE BOARD OF TRANSPORTATION BY ALTERING ITS GOVERNANCE STRUCTURE, AUTHORIZING A NEW ETHICS POLICY, REQUIRING DISCLOSURE OF POLITICAL CONTRIBUTIONS BY BOARD MEMBERS, INCREASING PUBLIC PARTICIPATION IN ITS DECISIONS, AND CHANGING THE PENALTIES FOR MISUSE OF A DOT BOARD POSITION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 143B-350 is amended by adding the following new subsections:

"(i) Disclosure of Contributions. -- Any person serving on the Board of Transportation or as Secretary of Transportation on December 1, 1998, shall disclose on that date any contributions the person or the person's immediate family made to the political campaign of the appointing Governor in the two years preceding December 1, 1998. A person appointed to the Board of Transportation and a person appointed as Secretary of Transportation after December 1, 1998, shall disclose at the time the appointment of the person is officially made public any contributions the person or the person's immediate family made to the political campaign of the appointing Governor in the two years preceding the date of appointment. The term immediate family', as used in this subsection, means a person's spouse, children, parents, brothers, and sisters. Disclosure forms shall be filed with the Governor or the Governor's designee and in a manner as prescribed by the Governor. Disclosure forms shall not be a public record under the provisions of Chapter 132 of the General Statutes until such time as the appointment of the person filing the statement is officially made public.

(j) Disclosure of Campaign Fund-Raising. -- A person appointed to the Board of Transportation on or after January 1, 2001, and a person appointed as Secretary of Transportation on or after January 1, 2001, shall disclose at the time the appointment of the person is officially made public any contributions the person personally acquired in the two years prior to appointment for: any political campaign for a \statewide or State legislative elected office in North Carolina; any political party executive committee or political committee acting on behalf of a candidate for statewide or State legislative office. Disclosure forms shall be filed with the Governor or the Governor's designee and in a manner as prescribed by the Governor. Disclosure forms shall not be a public record under the provisions of Chapter 132 of the General Statutes until such time as the appointment of the person filing the statement is officially made public.

(k) Ethics Policy. -- The Board shall adopt by December 1, 1998, a code of ethics applicable to members of the Board, including the Secretary. Any code of ethics adopted by the Board shall be supplemental to any other code of ethics that may be applicable to members of the Board or to the Secretary. A code of ethics adopted pursuant to this subsection shall:

(1) Include a prohibition against a member taking action as a Board member when a conflict of interest, or the appearance of a conflict of interest, exists. The ethics policy adopted pursuant to this subsection shall specify that a conflict of interest exists when the use of the Board member's position, or any official action taken by the Board member, would result in financial benefit, direct or indirect, to the Board member, a member of the Board member's immediate family, or an individual with whom, or business with which, the Board member is associated. The ethics policy adopted pursuant to this subsection shall specify that an appearance of a conflict of interest exists when a reasonable person would conclude from the circumstances that the Board member's ability to protect the public interest, or perform public duties, would be compromised by personal interest, even in the absence of an actual conflict of interest. The performance of usual and customary duties associated with the public position or the advancement of public policy goals or constituent services, without compensation, shall not constitute the use of the Board member's position for financial benefit. The conflict of interest provision of the ethics policy adopted pursuant to this subsection shall not apply to financial or other benefits derived by a Board member that the Board member would enjoy to an extent no greater than that which other citizens of the State would or could enjoy.

(2) Require the filing of a statement of economic interest. The statement of economic interest shall include a listing of the appointee's legal, equitable, or beneficial interest in real estate holdings in the State, and a statement of the appointee's financial interest in any business related to the State's transportation system. The statement of economic interest shall be filed with the Governor, or the Governor's designee, and in a manner as prescribed by the Governor.

(3) Require the filing of a statement of association. The statement of association shall include a statement of the appointee's membership or other affiliation with, including offices held, in societies, organizations, or advocacy groups pertaining to the State's transportation system. The statement of association shall be filed with the Governor, or the Governor's designee, and in a manner as prescribed by the Governor.

Board members and the Secretary serving on December 1, 1998, shall file the statement of economic interest and statement of association on that date. Board members and the Secretary appointed after December 1, 1998, shall file the statement of economic interest and statement of association at the time the appointment of the person is officially made public. The statement of economic interest and the statement of association shall not be a public record under the provisions of Chapter 132 of the General Statutes until the appointment of the person filing the statement is

officially made public.

(l) Additional Requirements for Disclosure Statements. -- All disclosure statements required under subsections (i), (j), and (k) of this section must be sworn written statements.

(m) Ethics and Board Duties Education. -- The Board shall institute by January 1, 1999, and conduct annually an education program on ethics and on the duties and responsibilities of Board members. The training session shall be comprehensive in nature and shall include input from the Institute of Government, the North Carolina Board of Ethics, the Attorney General's Office, the University of North Carolina Highway Safety Research Center, and senior career employees of the various divisions of the Department. This program shall include an initial orientation for new members of the Board and continuing education programs for Board members at least once each year."

Section 2. Part 2 of Article 8 of Chapter 143B of the General Statutes, as amended by Section 1 of this act, reads as rewritten:

"Part 2. Board of ~~Transportation -- Secondary Roads Council.~~ Transportation.

"§ 143B-350. Board of Transportation -- organization; powers and duties, etc.

~~(a) There is hereby created a Board of Transportation. The Board shall carry out its duties consistent with the needs of the State as a whole and it shall not sacrifice the general statewide interest to the purely local desires of any particular area. The Board may, from time to time, provide that one or more of its members or representatives shall hear any person or persons concerning transportation.~~

~~(b) The Board of Transportation shall have two ex officio members. The Secretary of Transportation shall be an ex officio member of the Board of Transportation and shall be the chairman of the Board of Transportation. The chairman of the North Carolina Rail Council shall be an ex officio member of the Board of Transportation.~~

~~(c) The Board of Transportation shall have 20 members appointed by the Governor. One member shall be appointed from each of the 14 transportation engineering divisions and six members shall be appointed from the State at large. One at-large member shall be a registered voter of a political party other than the political party of the Governor. At least one at-large member shall possess a broad knowledge of public transportation matters. No more than two members provided for in this subsection shall reside in the same engineering division while serving in office. The initial members shall serve terms beginning July 1, 1977, and ending January 14, 1981, or until their successors are appointed and qualified. The succeeding terms of office shall be for a period of four years beginning January 15, 1981, and each four years thereafter. The Governor shall have the authority to remove for cause sufficient to himself, any member appointed by the Governor.~~

~~(d) The Board of Transportation shall have four members appointed by the General Assembly. Two of these members shall be appointed upon the recommendation of the Speaker of the House of Representatives, and two shall be appointed upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121. The initial members appointed by the General Assembly shall serve for terms expiring June 30, 1983. Thereafter, their successors shall serve for two-year terms beginning July 1 of odd-numbered years. Vacancies in appointments made by the General Assembly shall be filled in accordance with G.S. 120-122.~~

(a) Board of Transportation. -- There is hereby created a Board of Transportation. The Board shall carry out its duties consistent with the needs of the State as a whole.

The diversity and size of the State require that regional differences be considered by Board members as they develop transportation policy and projects for the benefit of the citizens of the State.

(b) Membership of the Board. --

(1) Number, appointment. -- The Board of Transportation shall have 19 voting members. Fourteen of the members shall be division members appointed by the Governor. Five shall be at-large members appointed by the Governor. At least three members of the Board shall be registered voters of a political party other than the political party of the Governor. The Secretary of Transportation shall serve as an ex officio nonvoting member of the Board. No more than two members of the Board may reside in the same highway division.

(2) Division members. -- One member shall be appointed from and be a resident of each of the 14 highway divisions. The Governor, in selecting division members, shall consider for appointment persons suggested by the Transportation Advisory Committees located within each division. Division members shall direct their primary effort to developing transportation policy and addressing transportation problems in the region they represent. Division members shall regularly consult with and consider the views of local government units and Transportation Advisory Committees in the region they represent.

(3) At-large members. -- Five members shall be appointed by the Governor from the State at large. At-large members appointed pursuant to this subdivision shall develop transportation policy and address transportation problems with a statewide perspective. At-large members appointed under this subdivision shall possess the following qualifications:

a. One at-large member shall be a person with expertise in environmental issues affecting the State;

b. One at-large member shall be a person familiar with the State ports and aviation issues;

c. One at-large member shall be a person residing in a rural area of the State with broad knowledge of and experience in transportation issues affecting rural areas;

d. One at-large member shall be a person residing in an urban area with broad knowledge of and expertise in mass transit;

e. One at-large member shall be a person with broad knowledge of and expertise in government-related finance and accounting.

(c) Staggered Terms. -- The terms of all Board members serving on the Board prior to January 15, 2001, shall expire on January 14, 2001. A new board of 19 members shall be appointed with terms beginning on January 15, 2001. The Board shall serve the following terms: division members representing divisions 1, 3, 5, 7, 9, 11, and 13 and the three at-large members filling the positions designated in sub-subdivisions (b)(3)a., b., and e. of this section shall serve four-year terms beginning on January 15, 2001, and four-year terms thereafter; and division members representing divisions 2, 4, 6, 8, 10, 12, and 14 and the two at- large members filling the positions designated in sub- subdivisions (b)(3)c. and d. of this section shall serve two-year

terms beginning January 15, 2001, and four-year terms thereafter.

(d) Holdover Terms; Vacancies; Removal. -- Members shall continue to serve until their successors are appointed. The Governor may appoint a member to serve out the unexpired term of any Board member. The Governor may remove any member of the Board for any cause the Governor finds sufficient. The Governor shall remove any member of the Board upon conviction of a felony, conviction of any offense involving a violation of the Board member's official duties, or for a violation of the provisions of subsections (i), (j), and (k) of this section or any other code of ethics applicable to members of the Board as determined by the Governor or the Governor's designee.

(e) Organization and Meetings of the Board. -- Within 60 days after January 15, 2001, and thereafter within 60 days following the beginning of the regular term of the Governor, the Governor or his designee shall call the Board into session. The Board shall select a chair and vice-chair from among its membership for two-year terms. The Board may select a chair or vice-chair for one additional two-year term. The Board of Transportation shall meet once in each 60 days at such regular meeting times as the Board may by rule provide and at any place in the State as the Board may provide. The Board may hold special meetings at any time at the call of the chairman or any three members. The Board shall have the power to adopt and enforce rules and regulations for the government of its business and proceedings. The Board shall keep minutes of its meetings, which shall at all times be open to public inspection. The majority of the Board shall constitute a quorum for the transaction of business. Board members shall receive per diem and necessary travel and subsistence expenses in accordance with G.S. 138-5 and G.S. 138-6, as appropriate.

(f) Duties of the Board. -- The Board of Transportation shall have duties and powers:

(1) To formulate policies and priorities for all modes of transportation under the Department of Transportation;

(2) To advise the Secretary on matters to achieve the maximum public benefit in the performance of the functions assigned to the Department;

(3) To ascertain the transportation needs and the alternative means to provide for these needs through an integrated system of transportation taking into consideration the social, economic and environmental impacts of the various ~~alternatives.~~ alternatives;

(4) To approve a schedule of all major transportation improvement projects and their anticipated cost for a period of seven years into the future. This schedule is designated the Transportation Improvement Program; it must be published and copies must be available for distribution. The document that contains the Transportation Improvement Program, or a separate document that is published at the same time as the Transportation Improvement Program, must include the anticipated funding sources for the improvement projects included in the Program, a list of any changes made from the previous year's Program, and the reasons for the changes;

(5) To consider and advise the Secretary of Transportation upon any other transportation matter that the Secretary may refer to it;

(6) To assist the Secretary of Transportation in the performance of his duties in the development of programs and approve priorities for

programs within the Department;

(7) To allocate all highway construction and maintenance funds appropriated by the General Assembly as well as federal-aid funds which may be available;

(8) To approve all highway construction programs;

(9) To approve all highway construction projects and construction plans for the construction of projects;

(10) To review all statewide maintenance functions;

(11) To award all highway construction contracts;

(12) To authorize the acquisition of rights-of-way for highway improvement projects, including the authorization for acquisition of property by eminent domain;

(13) To promulgate rules, regulations, and ordinances concerning all transportation functions assigned to the Department.

(f1) Municipal Participation. -- The ability of a municipality to pay in part or whole for any transportation improvement project shall not be a factor considered by the Board of Transportation in its development and approval of a schedule of major State highway system improvement projects to be undertaken by the Department under G.S. 143B-350(f)(4).

(g) Delegation of Board Duties. -- The Board of Transportation may, in its discretion, delegate to the Secretary of Transportation the authority:

(1) To approve all highway construction projects and construction plans for the construction of projects;

(2) To award all highway construction contracts;

(3) To promulgate rules, regulations, and ordinances concerning all transportation functions assigned to the Department.

The Secretary may, in turn, subdelegate these duties and powers.

(h) Consultation of Board Members. -- Each member of the Board of Transportation who is appointed to represent a transportation engineering division or who resides in a division shall be consulted before the Board makes a decision affecting that division.

(i) Disclosure of Contributions. -- Any person serving on the Board of Transportation or as Secretary of Transportation on December 1, 1998, shall disclose on that date any contributions the person or the person's immediate family made to the political campaign of the appointing Governor in the two years preceding December 1, 1998. A person appointed to the Board of Transportation and a person appointed as Secretary of Transportation after December 1, 1998, shall disclose at the time the appointment of the person is officially made public any contributions the person or the person's immediate family made to the political campaign of the appointing Governor in the two years preceding the date of appointment. The term `immediate family', as used in this subsection, means a person's spouse, children, parents, brothers, and sisters. Disclosure forms shall be filed with the Governor or the Governor's designee and in a manner as prescribed by the Governor. Disclosure forms shall not be a public record under the provisions of Chapter 132 of the General Statutes until such time as the appointment of the person filing the statement is officially made public.

(j) Disclosure of Campaign Fund-Raising. -- A person appointed to the Board of Transportation on or after January 1, 2001, and a person appointed as Secretary of Transportation on or after January 1, 2001, shall disclose at the time the appointment of the person is officially made public any contributions the person personally

acquired in the two years prior to appointment for: any political campaign for a statewide or legislative elected office in North Carolina; any political party executive committee or political committee acting on behalf of a candidate for statewide or legislative office. Disclosure forms shall be filed with the Governor or the Governor's designee and in a manner as prescribed by the Governor. Disclosure forms shall not be a public record under the provisions of Chapter 132 of the General Statutes until such time as the appointment of the person filing the statement is officially made public.

(k) Ethics Policy. -- The Board shall adopt by December 1, 1998. a code of ethics applicable to members of the Board, including the Secretary. Any code of ethics adopted by the Board shall be supplemental to any other code of ethics that may be applicable to members of the Board or to the Secretary. A code of ethics adopted pursuant to this subsection shall:

(1) Include a prohibition against a member taking action as a Board member when a conflict of interest, or the appearance of a conflict of interest, exists. The ethics policy adopted pursuant to this subsection shall specify that a conflict of interest exists when the use of the Board member's position, or any official action taken by the Board member, would result in financial benefit, direct or indirect, to the Board member, a member of the Board member's immediate family, or an individual with whom, or business with which, the Board member is associated. The ethics policy adopted pursuant to this subsection shall specify that an appearance of a conflict of interest exists when a reasonable person would conclude from the circumstances that the Board member's ability to protect the public interest, or perform public duties, would be compromised by personal interest, even in the absence of an actual conflict of interest. The performance of usual and customary duties associated with the public position or the advancement of public policy goals or constituent services, without compensation, shall not constitute the use of the Board member's position for financial benefit. The conflict of interest provision of the ethics policy adopted pursuant to this subsection shall not apply to financial or other benefits derived by a Board member that the Board member would enjoy to an extent no greater than that which other citizens of the State would or could enjoy.

(2) Require the filing of a statement of economic interest. The statement of economic interest shall include a listing of the appointee's legal, equitable, or beneficial interest in real estate holdings in the State, and a statement of the appointee's financial interest in any business related to the State's transportation system. The statement of economic interest shall be filed with the Governor, or the Governor's designee, and in a manner as prescribed by the Governor.

(3) Require the filing of a statement of association. The statement of association shall include a statement of the appointee's membership or other affiliation with, including offices held, in societies, organizations, or advocacy groups pertaining to the State's transportation system. The statement of association shall be filed with the Governor, or the Governor's designee, and in a

manner as prescribed by the Governor.

Board members and the Secretary serving on December 1, 1998, shall file the statement of economic interest and statement of association on that date. Board members and the Secretary appointed after December 1, 1998, shall file the statement of economic interest and statement of association at the time the appointment of the person is officially made public. The statement of economic interest and the statement of association shall not be a public record under the provisions of Chapter 132 of the General Statutes until the appointment of the person filing the statement is officially made public.

(l) Additional Requirements for Disclosure Statements. -- All disclosure statements required under subsections (i), (j), and (k) of this section must be sworn written statements.

(m) Ethics and Board Duties Education. -- The Board shall institute by January 1, 1999. and conduct annually an education program on ethics and on the duties and responsibilities of Board members. The training session shall be comprehensive in nature and shall include input from the Institute of Government, the North Carolina Board of Ethics, the Attorney General's Office, the University of North Carolina Highway Safety Research Center, and senior career employees of the various divisions of the Department. This program shall include an initial orientation for new members of the Board and continuing education programs for Board members at least once each year.

(n) Review of Appointments by the Joint Legislative Transportation Oversight Committee. -- The Governor shall submit the names of all proposed Board of Transportation appointees, along with the disclosure statements required under subsections (i), (j), and (k) of this section, to the Joint Legislative Transportation Oversight Committee prior to Board members' taking office. The Committee shall have 30 days to review and submit comments to the Governor on the proposed appointees before they take office. The Governor shall consider the views expressed by the Committee concerning the appointees to the Board. If the Committee does not review or submit comments to the Governor on the proposed Board appointees within the 30 days, the Governor may proceed to appoint the proposed members to the Board."

Section 3. Article 1 of Chapter 136 is amended by adding a new section to read:

"**§ 136-11.1. Local consultation on transportation projects.**

Prior to any action of the Board on a transportation project, the Department shall inform all municipalities and counties affected by a planned transportation project and request each affected municipality or county to submit within 45 days a written resolution expressing their views on the project. A municipality or county may designate a Transportation Advisory Committee to submit its response to the Department's request for a resolution. Upon receipt of a written resolution from all affected municipalities and counties or their designees, or the expiration of the 45-day period, whichever occurs first, the Board may take action. The Department and the Board shall consider, but shall not be bound by, the views of the affected municipalities and counties on each transportation project. The failure of a county or municipality to express its views within the time provided shall not prevent the Department or the Board from taking action. The Department shall not be required to send notice under this section if it has already received a written resolution from the affected county or municipality on the planned transportation project. `Action of the Board', as used in this section, means approval by the Board of: the

Transportation Improvement Program and amendments to the Transportation Improvement Program; the Secondary Roads Paving Program and amendments to the Secondary Roads Paving Program; and individual applications for access and public service road projects, contingency projects, small urban projects, and spot safety projects that exceed one hundred fifty thousand dollars ($150,000). The 45-day notification provision may be waived upon a finding by the Secretary of Transportation that emergency action is required. Such findings must be reported to the Joint Legislative Transportation Oversight Committee."

Section 4. G.S. 136-14 reads as rewritten:

"**§ 136-14. Members not eligible for other employment with Department; no sales to Department by employees; members not to sell or trade property with Department; profiting from official ~~position.~~ position; misuse of confidential information by Board members.**

(a) No Board member ~~of the Board of Transportation~~ shall be eligible to any other employment in connection with the ~~Department of Transportation, and no~~ Department.

(b) No Board member ~~of the Board of Transportation~~ or any salaried employee of the Department ~~of Transportation~~ shall furnish or sell any supplies or materials, directly or indirectly, to the ~~Department of Transportation, nor shall any~~ Department.

(c) No Board member ~~of the Board of Transportation,~~ shall, directly or indirectly, engage in any transaction involving the sale of or trading of real or personal property with the ~~Department of Transportation, or~~ Department.

(d) No Board member shall profit in any manner by reason of ~~his~~ the Board member's official action or ~~his~~ official position, except to receive ~~such~~ salary, fees and allowances as by law provided.

(e) No Board member shall take any official action or use the Board member's official position to profit in any manner the Board member's immediate family, a business with which the Board member or the Board member's immediate family has a business association, or a client of the Board member or the Board member's immediate family with whom the Board member, or the Board member's immediate family, has an existing business relationship for matters before the Board.

(f) No Board member shall attempt to profit from a proposed project of the Department if the profit is greater than that which would be realized by other persons living in the area where the project is located. If the profit under this subsection would be greater for the Board member than other persons living in the area where the project is located not only shall the member abstain from voting on that issue, but once the conflict of interest is apparent, the member shall not discuss the project with any other Board member or other officer or employee of the Department except to state that a conflict of interest exists. Under this subsection a Board member is presumed to profit if the profit would be realized by a Board member's immediate family, a business with which the Board member or the Board member's immediate family has a business association, or a client of the Board member or the Board member's immediate family with whom the Board member, or the Board member's immediate family, has an existing business relationship for matters before the Board. Violation of this subsection shall be a Class I felony.

(g) No Board member, in contemplation of official action by the Board member, by the Board, or in reliance on information that was made known to the Board member in the Board member's official capacity and that has not been made public, shall commit any of the following acts:

(1) Acquire a pecuniary interest in any property, transaction, or enterprise or

gain any pecuniary benefit that may be affected by such information or official action; or

(2) Intentionally aid another to do any of the above acts.

(h) As used in this section, the following terms mean:

(1) `Board'. -- The Board of Transportation.

(2) `Board member'. -- A member of the Board of Transportation.

(3) `Business association'. -- A director, employee, officer, or partner of a business entity, or owner of more than ten percent (10%) interest in any business entity.

(4) `Department'. -- The Department of Transportation.

(5) `Immediate family'. -- Spouse, children, parents, brothers, and sisters.

(6) `Official action'. -- Actions taken while a Board member related to or in connection with the person's duties as a Board member including, but not limited to, voting on matters before the Board, proposing or objecting to proposals for transportation actions by the Department or the Board, discussing transportation matters with other Board members or Department staff or employees in an effort to further the matter after the conflict of interest has been discovered, or taking actions in the course and scope of the position as a Board member and actions leading to or resulting in profit.

(7) `Profit'. -- Receive monetary or economic gain or benefit, including an increase in value whether or not recognized by sale or trade.

(i) ~~Violation~~ Except as otherwise provided in this section, a violation of this section shall be a Class ~~I~~ H felony which may include a fine of not more than twenty thousand dollars ($20,000), or three times the value of the ~~transaction.~~ transaction, whichever amount is greater."

Section 5. (a) The Board of Transportation, with the assistance of the Secretary and the Department of Transportation, shall study realignment and reorganization of the 14 Transportation Divisions of the State to more closely match the urban and rural regions that have developed in the State over the past 40 years and to improve the efficiency of the operations of the Department. The Board shall give primary consideration to the boundaries of the metropolitan planning regions of the State as it considers realignment of the Transportation Divisions. The Board or its designee shall report its findings to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Commission on Governmental Operations on or before December 31, 1998.

(b) The Board and the Secretary shall report to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Commission on Governmental Operations on any proposed changes to the current Transportation Division and District system prior to implementing any changes.

Section 6. The Board of Transportation, with the assistance of the Secretary and the Department of Transportation, shall develop a plan to establish Rural Transportation Planning Organizations (RPOs) as a counterpart to the existing Metropolitan Planning Organizations (MPOs). The Board or its designee shall report its plan to establish these organizations to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Commission on Governmental Operations on or before December 31, 1998.

Section 7. The Board of Transportation, with the assistance of the Secretary and the Department of Transportation, shall study the backlog of

maintenance needs for the State's highways and suggest methods for addressing this issue, including sources of funds. The Board or its designee shall report its findings and recommendations to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Commission on Governmental Operations on or before December 31, 1998.

Section 8. The Board of Transportation, assisted by the Secretary and the Department, shall develop a plan to ensure that Board members have additional appropriate technical assistance to allow them to be fully informed and active participants at each Board meeting. The Board or its designee shall submit a report on its plan to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Commission on Governmental Operations on or before December 1, 1998, and a report on the implementation of the plan on October 1, 1999.

Section 9. Section 1 of this act becomes effective December 1, 1998. Section 2 of this act becomes effective January 1, 2001. Section 3 of this act becomes effective January 1, 1999, and applies to actions taken by the Board of Transportation on or after March 1, 1999. Section 4 of this act becomes effective December 1, 1998, and applies to offenses committed on or after that date. The remainder of this act becomes effective October 1, 1998. Members of the Board of Transportation serving on and before January 14, 2001, shall continue to serve until the date their successors are appointed in accordance with this act.

The Conference Report is ordered placed on the Calendar for tomorrow, Wednesday, September 23, for adoption.

On motion of Senator Basnight, seconded by Senator Ballantine, the Senate adjourns at 2:18 P.M. to meet tomorrow, Wednesday, September 23, at 2:00 P.M.

TWO HUNDRED THIRD DAY

Senate Chamber
Wednesday, September 23, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Almighty God, a story as prayer...Oscar Sikes, who subsequently became an outstanding attorney in Monroe, North Carolina, was having a difficult time as a freshman student at Wake Forest University. As a consequence, he was somewhat ill-prepared when the time for examinations came. He was morally certain he had flunked all of them. As he was walking across the campus in a despondent mood, he encountered a student who was an aspiring preacher. The student asked Sikes where he expected to spend eternity. He responded without hesitation, 'If I wait until I get my bachelor's degree, I'll spend it at Wake Forest.'

"It is one thing, Oh God, to say we have empathy with Mr. Sikes' story. It's another, with Your help, to make the very best out of a situation like that in which we may find ourselves.

"Abide with us in our times of joy and in the long night of the soul. For Your sake we pray, Amen." (From *Humor of a Country Lawyer* by Sam Ervin.)

With unanimous consent, the President grants leaves of absence for today to Senator Dalton, Senator Horton, and Senator Moore.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Tuesday, September 22, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Ed Kirkpatrick from Kinston, North Carolina, who is serving the Senate as Nurse of the Day.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

H.B. 1260, AN ACT TO RESTORE THE AUTHORITY OF LOCAL GOVERNMENTS TO ADOPT FLOODPLAIN MANAGEMENT ORDINANCES.

S.B. 1299, AN ACT TO AMEND THE LAWS REGARDING THE WITHDRAWAL AND TRANSFER OF SURFACE WATERS AND THE STATE WATER SUPPLY PLAN.

The Enrolling Clerk reports the following bill duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.B. 1263, AN ACT TO REVIVE THE CHARTER OF THE TOWN OF UNIONVILLE AND TO REVIVE THE CHARTER OF THE TOWN OF WOODLAWN.

CHAPTERED BILL

The Enrolling Clerk reports the following bill properly enrolled, assigned the following Chapter Number, and presented to the Office of the Secretary of State:

H.B. 1361, AN ACT TO REVISE THE MUNICIPAL ANNEXATION LAWS AND TO CHANGE THE CRITERIA TO BE CONSIDERED BY THE JOINT LEGISLATIVE COMMISSION ON MUNICIPAL INCORPORATIONS. (Became law upon approval of the Governor, September 22, 1998 - S.L. 1998-150.)

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

S.B. 427 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW OVERWEIGHT TRUCKS TRANSPORTING APPLES AND CHRISTMAS TREES TO OPERATE ON CERTAIN LIGHT-DUTY ROADS, for concurrence in the

House Committee Substitute, which is placed on the Calendar for tomorrow, Thursday, September 24.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 1202

House of Representatives
September 22, 1998

Mr. President:

Pursuant to your information that your Honorable Body failed to concur in House Committee Substitute # 2 for SB 1202, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE COUNTY CONVEYANCE OF SURPLUS AUTOMOBILES TO A NOT-FOR-PROFIT RECIPIENT FOR SUBSEQUENT CONVEYANCE TO WORK FIRST PARTICIPANTS, the Speaker has appointed as conferees on the part of the House,

Representative Howard, Chair;
Representative McMahan,
Representative C. Wilson, and
Representative H. Hunter

to act with a like committee on the part of the Senate to the end that the differences existing between the two bodies may be adjusted.

Respectfully,
S/Denise Weeks/cwc
Principal Clerk

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Soles for the **Commerce Committee:**

H.B. 160, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE STATE PORTS STUDY COMMISSION TO PROVIDE THAT AT LEAST ONE MEMBER OF THE BOARD OF THE NORTH CAROLINA STATE PORTS AUTHORITY BE AFFILIATED WITH A MAJOR EXPORTER OR IMPORTER USING THE STATE PORTS, with an unfavorable report as to bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 4217, which changes the title, upon concurrence, to read **H.B. 160** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO INCREASE THE COVERAGE OF INTERSTATE INTERCHANGE ECONOMIC DEVELOPMENT ZONES, TO PROVIDE FOR AN HISTORIC ABC ESTABLISHMENT, AND TO AMEND THE GUEST ROOM CABINET PERMIT FOR A COUNTY IN WHICH A STATE PORT IS LOCATED, is adopted and engrossed.

Upon adoption of the Senate Committee Substitute bill, the measure becomes a roll-call bill.

By Senator Perdue for the **Appropriations Committee**:

S.B. 879, A BILL TO BE ENTITLED AN ACT TO AMEND THE LAWS OF NORTH CAROLINA, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 9620, which changes the title to read **S.B. 879** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO (I) ENACT TEACHER SALARY SCHEDULES, SCHOOL-BASED ADMINISTRATOR SALARY SCHEDULES, AND SCHOOL CENTRAL OFFICE SALARY RANGES, (II) GRANT SALARY INCREASES OF THREE PERCENT FOR OTHER PUBLIC SCHOOL EMPLOYEES AND FOR MOST STATE EMPLOYEES, (III) PROVIDE BONUSES OF ONE PERCENT FOR OTHER PUBLIC SCHOOL EMPLOYEES AND FOR MOST STATE EMPLOYEES, (IV) MODIFY THE COMPUTATION OF YEARS OF SERVICE FOR TEACHER ASSISTANTS, (V) GRANT COST- OF-LIVING INCREASES OF TWO AND ONE-HALF PERCENT TO MOST RETIREES FROM STATE-ADMINISTERED RETIREMENT SYSTEMS, (VI) SET EMPLOYER CONTRIBUTION RATES FOR THE STATE-ADMINISTERED RETIREMENT SYSTEMS, (VII) PROVIDE FOR A SALARY ADJUSTMENT FUND, AND (VIII) APPROPRIATE FUNDS FOR THESE PURPOSES, is adopted and engrossed.

On motion of Senator Perdue, the rules are suspended and the Committee Substitute bill is placed before the Senate for immediate consideration, upon completion of the reading of the committee report.

S.B. 1262, A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 6886, which changes the title to read **S.B. 1262** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR ATTORNEYS FEES IN A CASE CHALLENGING THE 1992 CONGRESSIONAL REDISTRICTING PLAN AND TO AUTHORIZE THE TRANSFER OF FUNDS TO THE RESERVE FUND FOR THE BAILEY/EMORY/PATTON CASES REFUNDS, is adopted and engrossed.

With unanimous consent, on motion of Senator Rand, the Committee Substitute bill is placed on today's Calendar, upon second reading.

The Senate recesses at 2:22 P.M. to reconvene at 2:45 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 879 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO (I) ENACT TEACHER SALARY SCHEDULES, SCHOOL-BASED ADMINISTRATOR SALARY SCHEDULES, AND SCHOOL CENTRAL OFFICE SALARY RANGES, (II) GRANT SALARY INCREASES OF THREE PERCENT FOR OTHER PUBLIC SCHOOL EMPLOYEES AND FOR MOST STATE EMPLOYEES, (III) PROVIDE BONUSES OF ONE PERCENT FOR OTHER PUBLIC SCHOOL EMPLOYEES AND FOR MOST STATE EMPLOYEES, (IV) MODIFY THE COMPUTATION OF YEARS OF SERVICE FOR TEACHER ASSISTANTS, (V) GRANT COST- OF- LIVING INCREASES OF TWO AND ONE-HALF PERCENT TO MOST RETIREES FROM STATE-ADMINISTERED RETIREMENT SYSTEMS, (VI) SET EMPLOYER CONTRIBUTION RATES FOR THE STATE-ADMINISTERED RETIREMENT SYSTEMS, (VII) PROVIDE FOR A SALARY ADJUSTMENT FUND, AND (VIII) APPROPRIATE FUNDS FOR THESE PURPOSES, placed earlier on today's Calendar, upon second reading.

Senator Plyler calls the previous question on the Committee Substitute bill, seconded by Senator Rand. A division is called and the call is sustained (30-17).

The Committee Substitute bill passes its second reading (47-0) and third reading (47-0). Senator Rand offers a motion to send the Committee Substitute bill to the House of Representatives by special messenger.

Senator Ballantine objects to Senator Rand's motion to send the Committee Substitute bill to the House of Representatives by special messenger.

Having voted in the majority, Senator Rand offers a motion, seconded by Senator Cooper, that the vote by which the Committee Substitute bill passed its third reading be reconsidered and offers a further motion that the motion to reconsider do lie upon the table, which motion prevails (32-14).

Senator Rand offers a further motion that the Committee Substitute bill be sent to the House of Representatives by special messenger, which motion prevails (43-3).

The Committee Substitute bill is ordered sent to the House of Representatives by special messenger.

With unanimous consent, the President grants leaves of absence for the remainder of today's Session to Senator Kinnaird and Senator Webster.

The President relinquishes the gavel to Senator Basnight, President Pro Tempore, who presides in the absence of the Lieutenant Governor.

S.B. 1262 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR ATTORNEYS FEES IN A CASE CHALLENGING THE 1992 CONGRESSIONAL REDISTRICTING PLAN AND TO AUTHORIZE THE TRANSFER OF FUNDS TO THE RESERVE FUND FOR THE BAILEY/EMORY/PATTON CASES REFUNDS, placed earlier on today's Calendar, upon second reading.

Senator Rand offers Amendment No. 1 which is adopted (44-0).

The Committee Substitute bill, as amended, passes its second reading (45-0) and third reading (45-0) and is ordered engrossed and sent to the House of Representatives.

S.B. 1360 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW AND TO PROVIDE THAT A MAJORITY OF MEMBERS OF THE ALAMANCE-

BURLINGTON BOARD OF EDUCATION SHALL BE ELECTED IN 1998, for concurrence in the House Committee Substitute bill.

With unanimous consent, on motion of Senator Plyler, the House Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for tomorrow, Thursday, September 24, for concurrence.

H.B. 926 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS, upon second reading.

With unanimous consent, on motion of Senator Jenkins, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, September 29, upon second reading.

H.B. 534 (Conference Report), A BILL TO BE ENTITLED AN ACT TO ALLOW THE TRANSFER OF PROPERTY AND INCOME WITHHOLDING TO ENFORCE SUPPORT ORDERS, AND THE AWARDING OF ALIMONY, AS RECOMMENDED BY THE FAMILY LAW SECTION OF THE NORTH CAROLINA BAR ASSOCIATION, for adoption.

With unanimous consent, on motion of Senator Reeves, the Conference Report is withdrawn from today's Calendar and is placed on the Calendar for tomorrow, Thursday, September 24, for adoption.

Upon the appearance of Senator Webster in the Chamber, the Chair acknowledges his presence and the leave of absence granted previously is withdrawn.

H.B. 1304 (Conference Report), A BILL TO BE ENTITLED AN ACT TO REFORM THE BOARD OF TRANSPORTATION BY ALTERING ITS GOVERNANCE STRUCTURE, AUTHORIZING A NEW ETHICS POLICY, REQUIRING DISCLOSURE OF POLITICAL CONTRIBUTIONS BY BOARD MEMBERS, INCREASING PUBLIC PARTICIPATION IN ITS DECISIONS, AND CHANGING THE PENALTIES FOR MISUSE OF A DOT BOARD POSITION, for adoption.

On motion of Senator Perdue, the Senate adopts the Conference Report (45-1).

The Chair orders a message sent to the House of Representatives informing that Honorable Body of such action.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.B. 1304 House of Representatives
September 23, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House has adopted the report of the Conferees for Senate Committee Substitute on HB 1304, A BILL TO BE ENTITLED AN ACT TO RESTRUCTURE THE BOARD OF TRANSPORTATION, to the end that when a similar action has been taken on the part of

the Senate, we will order the bill enrolled.

Respectfully,
S/Denise Weeks/cwc
Principal Clerk

The following special message is received from the House of Representatives:

H. B. 534

House of Representatives
September, 23 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House has adopted the report of the Conferees on Senate Committee Substitute for HB 534, A BILL TO BE ENTITLED AN ACT TO ALLOW INCOME WITHHOLDING TO ENFORCE SUPPORT ORDERS, AND THE AWARDING OF ALIMONY, AS RECOMMENDED BY THE FAMILY LAW SECTION OF THE NORTH CAROLINA BAR ASSOCIATION, to the end that when a similar action has been taken on the part of the Senate, we will order the bill enrolled.

Respectfully,
S/Denise Weeks/cwc
Principal Clerk

The following special message is received from the House of Representatives:

H.B. 1248

House of Representatives
September 23, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House fails to concur in the Senate Committee Substitute #2 for HB 1248, A BILL TO BE ENTITLED AN ACT TO EXEMPT FROM INCOME TAX FEDERAL PAYMENTS TO TOBACCO ALLOTMENT HOLDERS, TOBACCO WORKERS, TOBACCO WAREHOUSE OWNERS, AND TOBACCO FARMERS AS COMPENSATION FOR LOSSES DUE TO FEDERAL LEGISLATION, and requests conferees. The Speaker has appointed:

Representative Baker, Chair;
Representative Creech,
Representative Neely, and
Representative Hill

on the part of the House to confer with a like committee appointed by the Senate to the

end that the differences arising may be adjusted.

Respectfully,
S/Denise Weeks/cwc
Principal Clerk

On motion of Senator Ballance, seconded by Senator Rand, the Senate adjourns at 3:38 P.M. to meet tomorrow, Thursday, September 24, at 10:00 A.M.

TWO HUNDRED FOURTH DAY

Senate Chamber
Thursday, September 24, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Marc Basnight, President *Pro Tempore*, who presides in the absence of the Lieutenant Governor.

Prayer is offered by the Honorable Jeanne Lucas, Senator from Durham County, as follows:

"Oh Lord, our Lord, how majestic is Your Name in all the earth. We know that You are the source of our provisions.

"Thank You for continuously revealing Yourself to us through nature, Your creation of us, and through Your Holy Word. We thank You for revealing Yourself through Your laws. Our human laws are thought of as restrictions, necessary for maintaining order. Your laws, full of grace and mercy, are intended to inspire us not restrict us. Your laws more precious than gold, last forever.

"Help us to take a personal inventory of our lives and our laws in order to deepen our relationship with You and with each other. Bless us Father to do Your Will. This is our prayer. Amen."

With unanimous consent, the President *Pro Tempore* grants leaves of absence for today to Senator Dalton, Senator Foxx, Senator Gulley, Senator Hoyle, Senator Jenkins, Senator Moore, Senator Reeves, and Senator Webster.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Wednesday, September 23, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

REQUEST TO SEND BY SPECIAL MESSENGER

S.B. 1262 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR ATTORNEYS FEES IN A CASE CHALLENGING THE 1992 CONGRESSIONAL REDISTRICTING PLAN AND TO AUTHORIZE THE TRANSFER OF FUNDS TO THE RESERVE FUND FOR THE BAILEY/EMORY/PATTON CASES REFUNDS.

With unanimous consent, on motion of Senator Rand, the Committee Substitute bill which was ordered sent to the House of Representatives on Wednesday, September 23, is ordered sent by special messenger.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 1594, AN ACT TO IMPOSE TEACHER CERTIFICATION FEES.

S.B. 879, AN ACT TO (I) ENACT TEACHER SALARY SCHEDULES, SCHOOL-BASED ADMINISTRATOR SALARY SCHEDULES, AND SCHOOL CENTRAL OFFICE SALARY RANGES, (II) GRANT SALARY INCREASES OF THREE PERCENT FOR OTHER PUBLIC SCHOOL EMPLOYEES AND FOR MOST STATE EMPLOYEES, (III) PROVIDE BONUSES OF ONE PERCENT FOR OTHER PUBLIC SCHOOL EMPLOYEES AND FOR MOST STATE EMPLOYEES, (IV) MODIFY THE COMPUTATION OF YEARS OF SERVICE FOR TEACHER ASSISTANTS, (V) GRANT COST-OF-LIVING INCREASES OF TWO AND ONE-HALF PERCENT TO MOST RETIREES FROM STATE-ADMINISTERED RETIREMENT SYSTEMS, (VI) SET EMPLOYER CONTRIBUTION RATES FOR THE STATE-ADMINISTERED RETIREMENT SYSTEMS, (VII) PROVIDE FOR A SALARY ADJUSTMENT FUND, AND (VIII) APPROPRIATE FUNDS FOR THESE PURPOSES.

H.B. 1304, AN ACT TO REFORM THE BOARD OF TRANSPORTATION BY ALTERING ITS GOVERNANCE STRUCTURE, AUTHORIZING A NEW ETHICS POLICY, REQUIRING DISCLOSURE OF POLITICAL CONTRIBUTIONS BY BOARD MEMBERS, INCREASING PUBLIC PARTICIPATION IN ITS DECISIONS, AND CHANGING THE PENALTIES FOR MISUSE OF A DOT BOARD POSITION.

S.B. 1243, AN ACT TO ADD CLERKS OF COURT TO THE SENTENCING AND POLICY ADVISORY COMMISSION, THE CRIMINAL JUSTICE ADVISORY BOARD, AND THE GOVERNOR'S CRIME COMMISSION.

H.B. 1326, AN ACT TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE USED IN DEFINING AND DETERMINING CERTAIN STATE TAX PROVISIONS, TO EXTEND THE CORPORATE INCOME TAX CARRYFORWARD FOR NET ECONOMIC LOSSES, TO CONFORM TO FEDERAL GIFT TAX TREATMENT OF CONTRIBUTIONS TO QUALIFIED TUITION PROGRAMS, AND TO CORRECT TWO REDLINING ERRORS IN 1998 TAX LEGISLATION.

The Enrolling Clerk reports the following bill duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.B. 1633, AN ACT TO ALLOW CORRECTION OF AN ERROR IN A 1921 SURVEY OF AN ANNEXATION TO THE TOWN OF SPRUCE PINE, TO ANNEX CERTAIN DESCRIBED TERRITORY TO THE TOWN OF LAKE WACCAMAW, AND TO CLARIFY THE BOUNDARIES OF THE TOWN OF MOCKSVILLE BY ANNEXING AN AREA WHOLLY SURROUNDED BY THE CORPORATE LIMITS,

SOME OF WHICH AN ACCURATE SURVEY HAS NOW SHOWN TO HAVE BEEN ANNEXED IN 1895 BUT NOT RECOGNIZED AS PART OF THE TOWN UNTIL A RECENT SURVEY.

CHAPTERED BILL

The Enrolling Clerk reports the following bill properly enrolled, assigned the following Chapter Number, and presented to the Office of the Secretary of State:

S.B. 1263, AN ACT TO REVIVE THE CHARTER OF THE TOWN OF UNIONVILLE AND TO REVIVE THE CHARTER OF THE TOWN OF WOODLAWN. (Became law upon ratification, September 23, 1998 - S.L. 1998-151.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Kerr for the **Finance Committee**:

H.B. 1490, A BILL TO BE ENTITLED AN ACT TO EXTEND THE TIME FOR THE RESOLUTION OF CLAIMS TO LAND UNDER NAVIGABLE WATERS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, with a favorable report.

With unanimous consent, on motion of Senator Kerr, the bill is placed on the Calendar for Tuesday, September 29, upon second reading.

H.B. 20, A BILL TO BE ENTITLED AN ACT TO INCREASE THE INCOME TAX CREDIT FOR CHARITABLE CONTRIBUTIONS BY NONITEMIZERS, with an unfavorable report as to bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 6476, which changes the title, upon concurrence to read **H.B. 20** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO INCREASE TO SEVEN PERCENT THE INCOME TAX CREDIT FOR CHARITABLE CONTRIBUTIONS BY NONITEMIZERS, is adopted and engrossed.

With unanimous consent, on motion of Senator Kerr, the Senate Committee Substitute bill is placed on the Calendar for Tuesday, September 29, upon second reading.

H.B. 1126 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXEMPT LOCAL PAY PHONE SERVICES FROM SALES TAX, with an unfavorable report as to Committee Substitute bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 3189 is adopted and engrossed.

With unanimous consent, on motion of Senator Kerr, the Senate Committee Substitute bill is placed on the Calendar for Tuesday, September 29, upon second reading.

H.B. 1429 (Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO SET THE PUBLIC UTILITY REGULATORY FEE, TO SET THE INSURANCE REGULATORY CHARGE FOR CALENDAR YEAR 1998, TO AMEND PROVISIONS

IN THE INSURANCE LAWS DEALING WITH EXAMINATIONS OF INSURANCE COMPANIES AND AUDITS OF THEIR FINANCIAL STATEMENTS, TO CLARIFY THE LAW ON INSURERS' FUNDING AGREEMENT RESERVES, TO AMEND THE LAW GOVERNING INSURERS' INVESTMENTS IN MORTGAGE LOANS AND MORTGAGE SECURITIES, AND TO CONFORM THE INSURANCE SURCHARGE LAW TO A RECENT ENACTMENT, with an unfavorable report as to Committee Substitute bill No. 3, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 1619, which changes the title, upon concurrence, to read **H.B. 1429** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SET THE PUBLIC UTILITY REGULATORY FEE, TO SET THE INSURANCE REGULATORY CHARGE FOR CALENDAR YEAR 1998, TO INCREASE VARIOUS FEES, TO ESTABLISH A FEE FOR FAIRNESS HEARING CONDUCTED BY THE OFFICE OF THE SECRETARY OF STATE, TO INCREASE THE AUTOPSY FEE, TO REVISE AND PLACE INTO THE GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE WATER QUALITY PROGRAM, TO AMEND PROVISIONS IN THE INSURANCE LAWS DEALING WITH EXAMINATIONS OF INSURANCE COMPANIES AND AUDITS OF THEIR FINANCIAL STATEMENTS, TO CLARIFY THE LAW ON INSURERS' FUNDING AGREEMENT RESERVES, TO AMEND THE LAW GOVERNING INSURERS' INVESTMENTS IN MORTGAGE LOANS AND MORTGAGE SECURITIES, AND TO CONFORM THE INSURANCE SURCHARGE LAW TO A RECENT ENACTMENT, is adopted and engrossed.

With unanimous consent, on motion of Senator Kerr, the Senate Committee Substitute bill is placed on the Calendar for Tuesday, September 29, upon second reading.

H.B. 1448 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE FISHERIES REFORM ACT OF 1997 AND RELATED MARINE FISHERIES LAWS, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE, with an unfavorable report as to Committee Substitute bill No. 2, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 1620, which changes the title, upon concurrence, to read **H.B. 1448** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE FISHERIES REFORM ACT OF 1997 AND RELATED MARINE FISHERIES LAWS AND TO CLARIFY THE RESERVED RIGHTS OF THE PUBLIC IN OCEAN BEACHES SEAWARD OF THE VEGETATION LINE, is adopted and engrossed.

With unanimous consent, on motion of Senator Kerr, the Senate Committee Substitute bill is placed on the Calendar for Tuesday, September 29, upon second reading.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 427 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW OVERWEIGHT TRUCKS TRANSPORTING APPLES AND CHRISTMAS TREES TO OPERATE ON CERTAIN LIGHT-DUTY ROADS, for concurrence in the House Committee Substitute bill.

With unanimous consent, on motion of Senator Kerr, the House Committee Substitute bill is withdrawn from today's Calendar and placed on the Calendar for Tuesday, September 29, for concurrence.

H.B. 534 (Conference Report), A BILL TO BE ENTITLED AN ACT TO ALLOW THE TRANSFER OF PROPERTY AND INCOME WITHHOLDING TO ENFORCE SUPPORT ORDERS, AND THE AWARDING OF ALIMONY, AS RECOMMENDED BY THE FAMILY LAW SECTION OF THE NORTH CAROLINA BAR ASSOCIATION.

With unanimous consent, on motion of Senator Kerr, the Conference Report is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, September 29, for adoption.

REPORTS OF COMMITTEES *(Continued)*

By Senator Miller for the **State Government, Local Government, and Personnel Committee:**

H.B. 661 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW THE HENDERSON COUNTY BOARD OF COMMISSIONERS TO REDISTRICT THEIR RESIDENCY DISTRICTS, with a favorable report.

With unanimous consent, on motion of Senator Miller, the Committee Substitute bill is placed on the Calendar for Tuesday, September 29, upon second reading

H.B. 1469 (Committee Substitute), A BILL TO BE ENTITLED AN ACT REORGANIZING THE STATE PERSONNEL COMMISSION AND AUTHORIZING THE CHAIR OF THE STATE PERSONNEL COMMISSION TO APPOINT PANELS OF ITS MEMBERS TO MAKE RECOMMENDATIONS TO THE FULL COMMISSION REGARDING THE FINAL DECISION IN CONTESTED CASES, with an unfavorable report as to Committee Substitute bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 3190, which changes the title, upon concurrence, to read **H.B. 1469** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT REORGANIZING THE STATE PERSONNEL COMMISSION AND AUTHORIZING THE CHAIR OF THE STATE PERSONNEL COMMISSION TO APPOINT PANELS OF ITS MEMBERS TO MAKE RECOMMENDATIONS TO THE FULL COMMISSION REGARDING THE FINAL DECISION IN CONTESTED CASES AND TO MAKE CHANGES TO THE EMPLOYEE INCENTIVE BONUS PROGRAM.

With unanimous consent, on motion of Senator Miller, the Senate Committee Substitute bill is placed on the Calendar for Tuesday, September 29, upon second reading.

APPOINTMENT OF ADDITIONAL CONFEREE

S.B. 1202 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE COUNTY CONVEYANCE OF SURPLUS AUTOMOBILES TO A NOT-FOR-PROFIT RECIPIENT FOR SUBSEQUENT CONVEYANCE TO WORK FIRST PARTICIPANTS.

Senator Ballance, the Deputy President *Pro Tempore* announces the appointment by Senator Basnight of Senator Wellons as an additional conferee on House Committee Substitute No. 2 for S.B. 1202.

A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1480 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE REGISTRATION OF SWINE OPERATION INTEGRATORS BY SWINE GROWERS, TO EXTEND BY SIX MONTHS THE MORATORIA ON CONSTRUCTION OR EXPANSION OF SWINE FARMS AND ON LAGOONS AND ANIMAL WASTE MANAGEMENT SYSTEMS FOR SWINE FARMS, AND TO CLARIFY EXCEPTIONS TO THE STATEWIDE MORATORIUM.

Referred to **Agriculture/Environment/Natural Resources Committee**.

CALENDAR *(Continued)*

S.B. 1360 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW AND TO PROVIDE THAT A MAJORITY OF MEMBERS OF THE ALAMANCE-BURLINGTON BOARD OF EDUCATION SHALL BE ELECTED IN 1998, for concurrence in the House Committee Substitute bill.

The Senate fails to concur in the House Committee Substitute bill (12-27).

Senator Plyler offers a motion that the Senate appoint conferees, which motion prevails.

H.B. 160 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO INCREASE THE COVERAGE OF INTERSTATE INTERCHANGE ECONOMIC DEVELOPMENT ZONES, TO PROVIDE FOR AN HISTORIC ABC ESTABLISHMENT, AND TO AMEND THE GUEST ROOM CABINET PERMIT FOR A COUNTY IN WHICH A STATE PORT IS LOCATED, upon second reading.

Senator Soles, offers a motion that the Senate Committee Substitute bill be withdrawn from today's Calendar and placed on the Calendar for Tuesday, September 29, upon second reading.

Senator McDaniel offers a substitute motion that the Senate Committee Substitute bill be placed on the Calendar for Wednesday, December 23.

Senator Soles offers a motion that the substitute motion offered by Senator McDaniel do lie upon the table, seconded by Senator Cooper. The motion prevails (22-17).

The President orders, without objection, the Senate Committee Substitute bill placed on the Calendar for Tuesday, September 29, upon second reading.

WITHDRAWAL FROM CALENDAR

H.B. 160 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO INCREASE THE COVERAGE OF INTERSTATE INTERCHANGE ECONOMIC DEVELOPMENT ZONES, TO PROVIDE FOR AN HISTORIC ABC ESTABLISHMENT, AND TO AMEND THE GUEST ROOM CABINET PERMIT FOR A COUNTY IN WHICH A STATE PORT IS LOCATED, placed on the Calendar for Tuesday, September 29.

Senator Soles offers a motion that the Senate Committee Substitute bill be withdrawn from the Calendar for Tuesday, September 29, and re-referred to the **Commerce Committee**, which motion prevails with unanimous consent.

The Chair orders the Senate Committee Substitute bill withdrawn from the Calendar for Tuesday, September 29 and re-refers the measure to the **Commerce Committee**.

APPOINTMENT OF CONFERENCE COMMITTEE

S.B. 1360 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW AND TO PROVIDE THAT A MAJORITY OF MEMBERS OF THE ALAMANCE-BURLINGTON BOARD OF EDUCATION SHALL BE ELECTED IN 1998.

With the Senate having failed to concur in the House Committee Substitute for S.B. 1360 and Senator Plyler's motion to appoint conferees having prevailed earlier today, Senator Rand announces the following appointments made by the President *Pro Tempore* of Senator Plyler, Chairman, and Senator Carrington, Senator Lucas, and Senator Purcell as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action and requesting conferees.

On motion of Senator Ballance, seconded by Senator Forrester, the Senate adjourns at 10:31 A.M. to meet Monday, September 28, at 7:00 P.M.

TWO HUNDRED FIFTH DAY

Senate Chamber
Monday, September 28, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Oh God, Your promise of faithfulness is well-tried during this Legislative Session; we have tested it time and again. Though sometimes we've delighted in it, we confess that we have also distrusted it, sometimes even deserted it. But our lack of faith can never do away with Your faithfulness - You keep coming to us.

"This week give us understanding, courage and healing that we may be Your people and do Your work to it's conclusion. Great is Thy faithfulness, Oh God. Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator Ballantine, Senator Cochrane, Senator Forrester, Senator Garwood, Senator Ledbetter, Senator Moore, Senator Perdue, Senator Shaw of Cumberland, and Senator Webster.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, September 24, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Gwen Waddell-Schultz from Chapel Hill, North Carolina, who is serving the Senate as Nurse of the Day.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1633, AN ACT TO ALLOW CORRECTION OF AN ERROR IN A 1921 SURVEY OF AN ANNEXATION TO THE TOWN OF SPRUCE PINE, TO ANNEX CERTAIN DESCRIBED TERRITORY TO THE TOWN OF LAKE WACCAMAW, AND TO CLARIFY THE BOUNDARIES OF THE TOWN OF MOCKSVILLE BY ANNEXING AN AREA WHOLLY SURROUNDED BY THE CORPORATE LIMITS, SOME OF WHICH AN ACCURATE SURVEY HAS NOW SHOWN TO HAVE BEEN ANNEXED IN 1895 BUT NOT RECOGNIZED AS PART OF THE TOWN UNTIL A RECENT SURVEY. (Became law upon ratification, September 24, 1998 - S.L. 1998-152.)

S.B. 879, AN ACT TO (I) ENACT TEACHER SALARY SCHEDULES, SCHOOL-BASED ADMINISTRATOR SALARY SCHEDULES, AND SCHOOL CENTRAL OFFICE SALARY RANGES, (II) GRANT SALARY INCREASES OF THREE PERCENT FOR OTHER PUBLIC SCHOOL EMPLOYEES AND FOR MOST STATE EMPLOYEES, (III) PROVIDE BONUSES OF ONE PERCENT FOR OTHER PUBLIC SCHOOL EMPLOYEES AND FOR MOST STATE EMPLOYEES, (IV) MODIFY THE COMPUTATION OF YEARS OF SERVICE FOR TEACHER ASSISTANTS, (V) GRANT COST-OF-LIVING INCREASES OF TWO AND ONE-HALF PERCENT TO MOST RETIREES FROM STATE-ADMINISTERED RETIREMENT SYSTEMS, (VI) SET EMPLOYER CONTRIBUTION RATES FOR THE STATE-ADMINISTERED RETIREMENT SYSTEMS, (VII) PROVIDE FOR A SALARY ADJUSTMENT FUND, AND (VIII) APPROPRIATE FUNDS FOR THESE PURPOSES. (Became law upon approval of the Governor, September 24, 1998 - S.L. 1998-153.)

H.B. 1529, AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT. (Became law upon approval of the Governor, September 25, 1998 - S.L. 1998-154.)

H.B. 1082, AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A NATIVE AMERICAN REGISTRATION PLATE, AND TO ALLOW AN INCREASE IN MEMBERS ON THE NORTH CAROLINA INDIAN HOUSING AUTHORITY. (Became law upon approval of the Governor, September 25, 1998 - S.L. 1998-155.)

H.B. 349, AN ACT TO EXTEND THE TERRITORIAL JURISDICTION OF THE LEGISLATIVE SERVICES COMMISSION TO ALL OF JONES, WILMINGTON, AND SALISBURY STREETS PROXIMATE TO THE STATE LEGISLATIVE BUILDING, AND TO THE BRICK WALKWAY PROXIMATE TO THE LEGISLATIVE OFFICE BUILDING. (Became law upon approval of the Governor, September 25, 1998 - S.L. 1998-156.)

H.B. 577, AN ACT TO STRENGTHEN THE REGISTRATION REQUIREMENT FOR FORESTERS. (Became law upon approval of the Governor, September 25, 1998 - S.L. 1998-157.)

S.B. 1242, AN ACT TO PROVIDE FOR A WIRELESS ENHANCED 911 SYSTEM FOR THE USE OF CELLULAR, PERSONAL COMMUNICATIONS SERVICE, AND OTHER WIRELESS TELEPHONE CUSTOMERS, AS RECOMMENDED BY THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE, AND TO ALLOW STATE AGENCIES TO LEASE PUBLIC PROPERTY FOR THE CONSTRUCTION OF WIRELESS COMMUNICATIONS TOWERS AND TO ENCOURAGE CO-LOCATION OF SERVICES TO THOSE TOWERS, AND TO MAKE A TECHNICAL CORRECTION TO G.S. 62A-10. (Became law upon approval of the Governor, September 25, 1998 - S.L. 1998-158.)

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1199 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO INCREASE VARIOUS FEES, TO ESTABLISH A FEE FOR FAIRNESS HEARING CONDUCTED BY THE OFFICE OF THE SECRETARY OF STATE, TO INCREASE THE AUTOPSY FEE, TO REVISE AND PLACE INTO THE GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE WATER QUALITY PROGRAM, TO INCREASE THE PROCESS AND FACILITIES FEES IN THE GENERAL COURT OF JUSTICE, TO SET THE PUBLIC UTILITY REGULATORY FEE, AND TO SET THE INSURANCE REGULATORY CHARGE, for concurrence in the House Committee Substitute bill No. 2.

Pursuant to Rule 43, the House Committee Substitute bill No. 2 is ordered held in the Office of the Principal Clerk pending referral to committee.

S.B. 1291 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION, REGIONAL PUBLIC TRANSPORTATION AUTHORITIES, AND REGIONAL TRANSPORTATION AUTHORITIES TO CREATE TRANSPORTATION CORRIDORS AND PROTECT THEM FROM DEVELOPMENT, AND TO INSURE PROPER NOTICE TO ALL PROPERTY OWNERS AFFECTED BY THE CORRIDORS, for concurrence in the House Committee Substitute bill.

Pursuant to Rule 43, the House Committee Substitute bill is ordered held in the Office of the Principal Clerk pending referral to committee.

S.B. 1336 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE GOVERNOR'S DWI TASK FORCE AND THE JOINT CORRECTIONS AND CRIME CONTROL OVERSIGHT COMMITTEE TO REVISE THE DWI FORFEITURE LAWS AND OTHER RELATED LAWS; TO PROVIDE FOR "ZERO-TOLERANCE" FOR COMMERCIAL DRIVERS, DRIVERS OF SCHOOL BUSES, SCHOOL ACTIVITY BUSES, AND CHILD CARE VEHICLES; AND TO PROVIDE FOR IMMEDIATE ADMINISTRATIVE LICENSE REVOCATIONS FOR ALL PERSONS UNDER TWENTY-ONE YEARS OF AGE;

AND TO INCREASE THE FINES FOR DWI OFFENSES AND TO MAKE CONFORMING CHANGES, for concurrence in the House Committee Substitute bill No. 2, which is placed on the Calendar for Wednesday, September 30.

The Senate recesses at 7:14 P.M. for the purpose of an Appropriations Committee meeting to reconvene at 7:30 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

REPORT OF COMMITTEE

A bill is reported from a standing committee, read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

H.B. 998, A BILL TO BE ENTITLED AN ACT TO ENACT INTO LAW THE SOUTHERN DAIRY COMPACT, TO DIRECT THE APPOINTMENT OF MEMBERS FROM NORTH CAROLINA TO THE SOUTHERN DAIRY COMPACT COMMISSION, AND TO APPROPRIATE FUNDS, with an unfavorable report as to bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 6477, which changes the title, upon concurrence, to read **H.B. 998** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO MATCH FEDERAL FUNDS, is adopted and engrossed.

COMMITTEE REFERRAL

S.B. 1199 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO INCREASE VARIOUS FEES, TO ESTABLISH A FEE FOR FAIRNESS HEARING CONDUCTED BY THE OFFICE OF THE SECRETARY OF STATE, TO INCREASE THE AUTOPSY FEE, TO REVISE AND PLACE INTO THE GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE WATER QUALITY PROGRAM, TO INCREASE THE PROCESS AND FACILITIES FEES IN THE GENERAL COURT OF JUSTICE, TO SET THE PUBLIC UTILITY REGULATORY FEE, AND TO SET THE INSURANCE REGULATORY CHARGE, ordered held in the Office of the Principal Clerk earlier tonight, pending referral to committee.

Pursuant to Rule 43, Senator Rand, Chairman of the **Rules and Operations of the Senate Committee**, refers the House Committee Substitute bill No. 2 to the **Finance Committee**.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 1360 House of Representatives
September 28, 1998

Mr. President:

Pursuant to your information that your Honorable Body failed to concur in House Committee Substitute for SB 1360, A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW AND TO PROVIDE THAT A MAJORITY OF MEMBERS OF THE ALAMANCE-BURLINGTON BOARD OF EDUCATION SHALL BE ELECTED IN 1998, the Speaker has appointed as conferees on the part of the House,

Representative Barbee, Chair;
Representative Allred,
Representative Reynolds,
Representative Daughtry, and
Representative Clary

to act with a like committee on the part of the Senate to the end that the differences existing between the two bodies may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

On motion of Senator Basnight, seconded by Senator Reeves, the Senate adjourns at 7:45 P.M. to meet tomorrow, Tuesday, September 29, at 11:00 A.M.

TWO HUNDRED SIXTH DAY

Senate Chamber
Tuesday, September 29, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend C. R. Edwards from Raleigh, North Carolina, former Senator from Cumberland County as follows:

"Oh Lord, our God, how excellent is Thy name in all the earth. We pause at the beginning of this Session to recognize Your leadership in our lives and in the world.

"We thank You for the men and women who are Members of this Body who are willing to offer themselves as public servants to work for the benefit of humankind and who make sacrifices to make things happen in this State for good.

"During the waning hours of this Session, will Thou give unto each of them clear minds and warm hearts to collectively do Your Will. Grant them wisdom and courage for the facing of these days. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Cochrane, Senator Ledbetter, and Senator Webster.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Monday, September 28, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

The President of the Senate extends courtesies of the floor to Mary Holtschneider from Durham, North Carolina, who is serving the Senate as Nurse of the Day.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1424 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT CABARRUS MEMORIAL HOSPITAL MAY AWARD A BACCALAUREATE DEGREE TO GRADUATES OF ITS NURSING AND ALLIED HEALTH SCIENCES PROGRAMS AS APPROPRIATE, for concurrence in House Committee Substitute.

Referred to **Education/Higher Education Committee**.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1126 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXEMPT LOCAL PAY PHONE SERVICES FROM SALES TAX, upon second reading.

With unanimous consent, on motion of Senator Hoyle, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Thursday, October 1, upon second reading.

H.B. 661 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW THE HENDERSON COUNTY BOARD OF COMMISSIONERS TO REDISTRICT THEIR RESIDENCY DISTRICTS, upon second reading.

With unanimous consent, on motion of Senator Miller, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, September 30, upon second reading.

H.B. 1429 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SET THE PUBLIC UTILITY REGULATORY FEE, TO SET THE INSURANCE REGULATORY CHARGE FOR CALENDAR YEAR 1998, TO INCREASE VARIOUS FEES, TO ESTABLISH A FEE FOR FAIRNESS HEARING CONDUCTED BY THE OFFICE OF THE SECRETARY OF STATE, TO INCREASE THE AUTOPSY FEE, TO REVISE AND PLACE INTO THE GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE WATER QUALITY PROGRAM, TO AMEND PROVISIONS IN THE INSURANCE LAWS DEALING WITH EXAMINATIONS OF INSURANCE COMPANIES AND AUDITS OF THEIR FINANCIAL STATEMENTS, TO CLARIFY THE LAW ON INSURERS' FUNDING AGREEMENT RESERVES, TO AMEND THE LAW GOVERNING INSURERS' INVESTMENTS IN MORTGAGE LOANS AND MORTGAGE SECURITIES, AND TO CONFORM THE INSURANCE SURCHARGE LAW TO A RECENT ENACTMENT, upon second reading.

The Senate Committee Substitute bill passes its second reading by roll-call vote, ayes 39, noes 1, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Carpenter, Carrington, Clark, Cooper, Dalton, Dannelly, Foxx, Garwood, Gulley, Hartsell, Hoyle, Jenkins, Kerr, Kinnaird, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Guilford, Soles, Warren, Weinstein, and Wellons—39.

Voting in the negative: Senator Page—1.

The Senate Committee Substitute bill is ordered placed on the Calendar for tomorrow, Wednesday, September 30, upon third reading.

H.B. 1448 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE FISHERIES REFORM ACT OF 1997 AND RELATED MARINE FISHERIES LAWS AND TO CLARIFY THE RESERVED RIGHTS OF THE PUBLIC IN OCEAN BEACHES SEAWARD OF THE VEGETATION LINE, upon second reading.

With unanimous consent, on motion of Senator Albertson, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, September 30, upon second reading.

H.B. 998 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO MATCH FEDERAL FUNDS, upon second reading.

With unanimous consent, on motion of Senator Plyler, the Senate Committee Substitute bill is taken up out of its regular order of business, and on his further motion, the Senate Committee Substitute bill is placed before the Senate for immediate consideration.

Senator Plyler offers Amendment No. 1 which is adopted (40-0).

The Senate Committee Substitute bill, as amended, passes its second (41-1) and third readings and is ordered engrossed and sent to the House of Representatives, without objection, by special messenger, for concurrence in the Senate Committee Substitute bill.

The President relinquishes the gavel to Senator Basnight, President Pro Tempore, who presides in the absence of the Lieutenant Governor.

H.B. 20 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO INCREASE TO SEVEN PERCENT THE INCOME TAX CREDIT FOR CHARITABLE CONTRIBUTIONS BY NONITEMIZERS, upon second reading.

The Senate Committee Substitute bill passes its second (42-0) and third readings and is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 926 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS, upon second reading.

With unanimous consent, on motion of Senator Jenkins, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, September 30, upon second reading.

H.B. 1469 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT REORGANIZING THE STATE PERSONNEL COMMISSION AND AUTHORIZING

THE CHAIR OF THE STATE PERSONNEL COMMISSION TO APPOINT PANELS OF ITS MEMBERS TO MAKE RECOMMENDATIONS TO THE FULL COMMISSION REGARDING THE FINAL DECISION IN CONTESTED CASES AND TO MAKE CHANGES TO THE EMPLOYEE INCENTIVE BONUS PROGRAM, upon second reading.

Senator Wellons offers Amendment No. 1 which is adopted (40-0).

The Senate Committee Substitute bill, as amended, passes its second reading (40-0).

Senator Wellons objects to third reading of the measure. Pursuant to Rule 50, the President orders the measure placed on the Calendar for tomorrow, Wednesday, September 30, upon third reading.

H.B. 1490, A BILL TO BE ENTITLED AN ACT TO EXTEND THE TIME FOR THE RESOLUTION OF CLAIMS TO LAND UNDER NAVIGABLE WATERS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, upon second reading.

The bill passes its second (40-0) and third readings and is ordered enrolled and sent to the Governor.

S.B. 427 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW OVERWEIGHT TRUCKS TRANSPORTING APPLES AND CHRISTMAS TREES TO OPERATE ON CERTAIN LIGHT-DUTY ROADS, for concurrence in the House Committee Substitute bill.

The Senate concurs in the House Committee Substitute bill (39-2) and the measure is ordered enrolled and sent to the Governor.

H.B. 534 (Conference Report), A BILL TO BE ENTITLED AN ACT TO ALLOW THE TRANSFER OF PROPERTY AND INCOME WITHHOLDING TO ENFORCE SUPPORT ORDERS, AND THE AWARDING OF ALIMONY, AS RECOMMENDED BY THE FAMILY LAW SECTION OF THE NORTH CAROLINA BAR ASSOCIATION, for adoption.

On motion of Senator Reeves, the Senate adopts the Conference Report (42-0).

The Chair orders a message sent to the House of Representatives informing that Honorable Body of such action.

The Senate recesses at 11:59 A.M. to reconvene at 4:00 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Marc Basnight, President *Pro Tempore,* who presides in the absence of the Lieutenant Governor.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

H.B. 1490, AN ACT TO EXTEND THE TIME FOR THE RESOLUTION OF CLAIMS TO LAND UNDER NAVIGABLE WATERS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

S.B. 427, AN ACT TO ALLOW OVERWEIGHT TRUCKS TRANSPORTING APPLES AND CHRISTMAS TREES TO OPERATE ON CERTAIN LIGHT-DUTY ROADS.

S.B. 1135, AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE TO ALLOW SHARED TENANT PROVIDERS TO OBTAIN LINE ACCESS FROM ANY CERTIFICATED LOCAL PROVIDER OF TELEPHONE SERVICE AND TO ALLOW FLAT RATE ACCESS LINES TO PREMISES PROVIDING ACCOMMODATIONS TO TRANSIENT PATRONS.

S.B. 1228, AN ACT TO ENHANCE THE CRIMINAL PROVISIONS FOR TAX VIOLATIONS.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1737, AN ACT TO PROVIDE THAT THE CENTENNIAL CAMPUS AT NORTH CAROLINA STATE UNIVERSITY INCLUDES THE COLLEGE OF VETERINARY MEDICINE, TO CLARIFY THAT THE BOARD OF GOVERNORS HAS THE AUTHORITY TO DESIGNATE THE REAL ESTATE AND APPURTENANT FACILITIES THAT COMPRISE THE CENTENNIAL CAMPUS AT NORTH CAROLINA STATE UNIVERSITY, TO MODIFY THE AUTHORITY OF THE BOARD OF GOVERNORS WITH REGARD TO CERTAIN TYPES OF DISPOSITIONS OF CENTENNIAL CAMPUS PROPERTY, TO EXEMPT CERTAIN REAL ESTATE TRANSACTIONS ON THE CENTENNIAL CAMPUS FROM PAYMENT OF THE STATE LAND SERVICE CHARGE, AND TO LIMIT THE NUMBER OF YEARS STATE PROPERTY CAN BE LEASED TO NINETY-NINE YEARS. (Became law upon approval of the Governor, September 28, 1998 - S.L. 1998-159.)

H.B. 1518, AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE EAGLE SCOUT SPECIAL REGISTRATION PLATES TO EAGLE SCOUTS OR THEIR PARENTS OR GUARDIANS, TO ISSUE GIRL SCOUT GOLD AWARD SPECIAL REGISTRATION PLATES TO RECIPIENTS OF THE GIRL SCOUT GOLD AWARD OR THEIR PARENTS OR GUARDIANS, AND TO ISSUE SMALLER REGISTRATION PLATES FOR MOTORCYCLES AND MOTORCYCLE TRAILERS. (Became law upon approval of the Governor, September 28, 1998 - S.L. 1998-160.)

H.B. 1483, AN ACT TO EXPEDITE THE CLOSURE OF LOW RISK LEAKING PETROLEUM UNDERGROUND STORAGE TANK CLEANUPS BY ALLOWING THE COST OF OBTAINING THE ADDITIONAL INFORMATION REQUIRED TO ASSESS THE RISK OF RELEASES REPORTED PRIOR TO THE EFFECTIVE DATE OF THE RISK ASSESSMENT RULES TO BE PAID FROM THE COMMERCIAL FUND OR THE NONCOMMERCIAL FUND UNDER CERTAIN CIRCUMSTANCES, TO PROVIDE THAT THE COST OF CONNECTING THIRD PARTIES TO PUBLIC WATER SYSTEMS MAY BE PAID FROM THE COMMERCIAL FUND OR THE

NONCOMMERCIAL FUND UNDER CERTAIN CIRCUMSTANCES, TO MAKE LANDOWNERS ELIGIBLE FOR REIMBURSEMENT OF CLEAN UP COSTS FROM THE NONCOMMERCIAL FUND UNDER CERTAIN CIRCUMSTANCES, TO AUTHORIZE THE ENVIRONMENTAL MANAGEMENT COMMISSION TO REQUIRE THAT ASSESSMENT AND CLEANUP TASKS AND COSTS BE PREAPPROVED BEFORE WORK PROCEEDS, TO MAKE PETROLEUM COMMERCIAL UNDERGROUND STORAGE TANK OPERATING PERMITS SUBJECT TO ADDITIONAL FEDERAL REQUIREMENTS APPLICABLE IN 1998, TO PROVIDE FOR ASSIGNMENT OF PAYMENTS FROM THE COMMERCIAL FUND AND THE NONCOMMERCIAL FUND, TO ESTABLISH A DE MINIMIS REPORTING REQUIREMENT FOR PETROLEUM UNDERGROUND STORAGE TANK SPILLS AND OVERFILLS OF LESS THAN TWENTY-FIVE GALLONS THAT ARE CLEANED UP WITHIN TWENTY-FOUR HOURS, TO PROVIDE THAT FEDERAL LIMITATIONS ON LENDER LIABILITY APPLY TO THE LEAKING PETROLEUM UNDERGROUND STORAGE TANK CLEANUP PROGRAM, TO PROVIDE THAT RULES APPLICABLE TO COMMERCIAL UNDERGROUND STORAGE TANKS DO NOT APPLY TO CERTAIN TANKS, AND TO MAKE RELATED CONFORMING AND TECHNICAL AMENDMENTS. (Became law upon approval of the Governor, September 28, 1998 - S.L. 1998-161.)

H.B. 1318, AN ACT TO LIMIT THE NONRESIDENT WITHHOLDING REQUIREMENT TO ATHLETES AND ENTERTAINERS, TO INCREASE THE THRESHOLD REQUIREMENT FOR NONRESIDENT WITHHOLDING, AND TO PROVIDE A MECHANISM TO ENHANCE COLLECTION OF TAXES FROM NONRESIDENTS ENGAGED IN CONSTRUCTION-RELATED BUSINESSES. (Became law upon approval of the Governor, September 28, 1998 - S.L. 1998-162.)

The Senate recesses at 4:02 P.M. to reconvene at 7:00 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

SPECIAL MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Special messages are received from the House of Representatives transmitting bills which are read the first time and disposed of, as follows:

S.B. 940 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR FEDERAL MATCHING FUNDS FOR THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY AND WASTEWATER AND WATER SUPPLY MATCHING FUNDS FOR THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, TO APPROPRIATE FUNDS FOR CAPITAL APPROPRIATIONS FOR THE DEPARTMENT OF ADMINISTRATION AND THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, TO AUTHORIZE A TRANSFER OF FUNDS TO MEET TANF MAINTENANCE OF EFFORT REQUIREMENTS, TO PROVIDE FOR WATER RESOURCES DEVELOPMENT PROJECTS, TO AMEND THE CARING PROGRAM FOR CHILDREN LAW ON THE UNINSURED, AND TO

PROVIDE A MENTAL HEALTH RESERVE MATCH FOR MEDICAID, for concurrence in the House Committee Substitute.

Pursuant to Rule 43, the House Committee Substitute bill is ordered held in the Office of the Principal Clerk pending referral to committee.

S.B. 1285 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXEMPT THE TRANSPORTATION OF CERTAIN AGRICULTURAL PRODUCTS FROM VARIOUS REQUIREMENTS IN CONFORMITY WITH FEDERAL REGULATIONS AND TO AUTHORIZE THE SOIL AND WATER CONSERVATION COMMISSION TO ADOPT TEMPORARY RULES TO IMPLEMENT THE CONSERVATION RESERVE ENHANCEMENT PROGRAM, for concurrence in the House Committee Substitute.

Upon motion of Senator Rand, the rules are suspended, without objection, and the House Committee Substitute bill is placed before the Senate for immediate consideration.

With unanimous consent, the President grants leaves of absence for the remainder of today's Session to Senator Carrington, Senator Kerr, Senator McDaniel, Senator Shaw of Cumberland, and Senator Weinstein.

The Senate concurs in the House Committee Substitute bill (40-0) and the measure is ordered enrolled and sent to the Governor, by special messenger.

COMMITTEE REFERRAL RECALL

H.B. 900 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPROVE THE WATER QUALITY OF THE SURFACE WATERS OF THIS STATE BY FURTHER LIMITING THE AMOUNT OF NITROGEN THAT CERTAIN LARGE FACILITIES DISCHARGE TO NUTRIENT SENSITIVE WATERS WHERE NITROGEN IS A NUTRIENT OF CONCERN, TO AUTHORIZE THE USE OF UP TO TWENTY-FIVE PERCENT OF THE FUNDS IN THE CLEAN WATER MANAGEMENT TRUST FUND FOR A PORTION OF THE COSTS TO LOCAL GOVERNMENTS OF MODIFYING EXISTING FACILITIES TO ACHIEVE FURTHER REDUCTIONS OF NITROGEN, AND TO AUTHORIZE THE USE OF THE CLEAN WATER MANAGEMENT FUND FOR LOANS, referred to the **Agriculture/Environment/Natural Resources Committee** on Tuesday, May 6, 1997.

Pursuant to Rule 47(a), Senator Albertson offers a motion that the Committee Substitute bill be withdrawn from the **Agriculture/Environment/Natural Resources Committee** and re-referred to the **Appropriations Committee**, which motion prevails with unanimous consent.

The Chair orders the Committee Substitute bill withdrawn from the **Agriculture/Environment/Natural Resources Committee** and refers the measure to the **Appropriations Committee.**

The Senate recesses at 7:38 P.M. to reconvene at 8:00 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

REPORT OF COMMITTEE

A bill is reported from a standing committee, read by its title together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Plyler for the **Appropriations Committee**:

H.B. 900 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPROVE THE WATER QUALITY OF THE SURFACE WATERS OF THIS STATE BY FURTHER LIMITING THE AMOUNT OF NITROGEN THAT CERTAIN LARGE FACILITIES DISCHARGE TO NUTRIENT SENSITIVE WATERS WHERE NITROGEN IS A NUTRIENT OF CONCERN, TO AUTHORIZE THE USE OF UP TO TWENTY-FIVE PERCENT OF THE FUNDS IN THE CLEAN WATER MANAGEMENT TRUST FUND FOR A PORTION OF THE COSTS TO LOCAL GOVERNMENTS OF MODIFYING EXISTING FACILITIES TO ACHIEVE FURTHER REDUCTIONS OF NITROGEN, AND TO AUTHORIZE THE USE OF THE CLEAN WATER MANAGEMENT FUND FOR LOANS, with an unfavorable report as to Committee Substitute bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 2430, which changes the title to read **H.B. 900** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR FEDERAL MATCHING FUNDS FOR THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY AND WASTEWATER AND WATER SUPPLY MATCHING FUNDS FOR THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, TO APPROPRIATE FUNDS FOR CAPITAL APPROPRIATIONS FOR THE DEPARTMENT OF ADMINISTRATION AND THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, TO AUTHORIZE A TRANSFER OF FUNDS TO MEET TANF MAINTENANCE OF EFFORT REQUIREMENTS, TO APPROPRIATE FEDERAL BLOCK GRANT FUNDS FOR THE WELFARE TO WORK FORMULA GRANT PLAN, TO PROVIDE FOR WATER RESOURCES DEVELOPMENT PROJECTS, TO AMEND THE CARING PROGRAM FOR CHILDREN STATUTE ON THE UNINSURED, AND TO PROVIDE A MENTAL HEALTH RESERVE MATCH FOR MEDICAID, is adopted and engrossed.

With unanimous consent, on motion of Senator Odom, the Senate Committee Substitute bill is placed before the Senate for immediate consideration, upon second reading.

The Senate Committee Substitute bill passes its second reading (40-0).

Senator Odom objects to third reading of the measure. Pursuant to Rule 50, the President orders the measure placed on the Calendar for tomorrow, Wednesday, September 30, upon third reading.

On motion of Senator Basnight, seconded by Senator Jenkins, the Senate adjourns at 8:11 P.M. to meet tomorrow, Wednesday, September 30, at 10:00 A.M.

TWO HUNDRED SEVENTH DAY

Senate Chamber
Wednesday, September 30, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear Lord, sometimes people are unreasonable and self-centered. Help us to love them anyway. Sometimes the good we do today will go unnoticed or be forgotten by tomorrow. Help us to do good anyway.

"Most times people favor the underdogs but follow only the loudest, most aggressive bark. Let us fight for some underdogs anyway.

"Some days we give the world the best we have and still get kicked in the teeth. Help us to give the world the best we have today, anyway. It is by Your example that we follow and for Your sake we pray. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Cooper, Senator Hoyle, Senator Kerr, Senator Shaw of Guilford, and Senator Weinstein.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Tuesday, September 29, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

H.B. 534, AN ACT TO ALLOW THE TRANSFER OF PROPERTY AND INCOME WITHHOLDING TO ENFORCE SUPPORT ORDERS, AND THE AWARDING OF ALIMONY, AS RECOMMENDED BY THE FAMILY LAW SECTION OF THE NORTH CAROLINA BAR ASSOCIATION.

S.B. 1285, AN ACT TO EXEMPT THE TRANSPORTATION OF CERTAIN AGRICULTURAL PRODUCTS FROM VARIOUS REQUIREMENTS IN CONFORMITY WITH FEDERAL REGULATIONS AND TO AUTHORIZE THE SOIL AND WATER CONSERVATION COMMISSION TO ADOPT TEMPORARY RULES TO IMPLEMENT THE CONSERVATION RESERVE ENHANCEMENT PROGRAM.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 661 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW THE HENDERSON COUNTY BOARD OF COMMISSIONERS TO REDISTRICT THEIR RESIDENCY DISTRICTS, upon second reading.

With unanimous consent, on motion of Senator Miller, the Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Thursday, October 1, upon second reading.

H.B. 926 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS, upon second reading.

With unanimous consent, on motion of Senator Jenkins, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, October 6, upon second reading.

COMMITTEE REFERRAL RECALL

H.B. 1357 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR "BEST VALUE" INFORMATION TECHNOLOGY PROCUREMENTS, referred to the **Commerce Committee** on August 3.

Pursuant to Rule 47(a), Senator Soles offers a motion that the Committee Substitute bill be withdrawn from the **Commerce Committee** and placed on today's Calendar, which motion prevails with unanimous consent.

The Chair orders the Committee Substitute bill withdrawn from the **Commerce Committee** and places it on today's Calendar.

CALENDAR *(Continued)*

H.B. 1429 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO SET THE PUBLIC UTILITY REGULATORY FEE, TO SET THE INSURANCE REGULATORY CHARGE FOR CALENDAR YEAR 1998, TO INCREASE VARIOUS FEES, TO ESTABLISH A FEE FOR FAIRNESS HEARING CONDUCTED BY THE OFFICE OF THE SECRETARY OF STATE, TO INCREASE THE AUTOPSY FEE, TO REVISE AND PLACE INTO THE GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE WATER QUALITY PROGRAM, TO AMEND PROVISIONS IN THE INSURANCE LAWS DEALING WITH EXAMINATIONS OF INSURANCE COMPANIES AND AUDITS OF THEIR FINANCIAL STATEMENTS, TO CLARIFY THE LAW ON INSURERS' FUNDING AGREEMENT RESERVES, TO AMEND THE LAW GOVERNING INSURERS' INVESTMENTS IN MORTGAGE LOANS AND MORTGAGE SECURITIES, AND TO CONFORM THE INSURANCE SURCHARGE LAW TO A RECENT ENACTMENT, upon third reading.

The Senate Committee Substitute bill passes its third reading by roll-call vote, ayes 34, noes 4, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Ballantine, Basnight, Carpenter, Carrington, Cochrane, Dalton, Dannelly, Forrester, Foxx, Garwood, Hartsell, Horton, Jenkins, Jordan, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, McDaniel, Miller, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Rucho, Shaw of Cumberland, Soles, Warren, and Wellons—34.

Voting in the negative: Senators Clark, East, Page, and Webster—4.

The Senate Committee Substitute bill is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 1448 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO

AMEND THE FISHERIES REFORM ACT OF 1997 AND RELATED MARINE FISHERIES LAWS AND TO CLARIFY THE RESERVED RIGHTS OF THE PUBLIC IN OCEAN BEACHES SEAWARD OF THE VEGETATION LINE, upon second reading.

Senator Albertson offers Amendment No. 1 which is adopted (42-0).

The Senate Committee Substitute bill, as amended, passes its second reading by roll-call vote, ayes 41, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Horton, Jenkins, Jordan, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Soles, Warren, Webster, and Wellons—41.

Voting in the negative: None.

The Senate Committee Substitute bill, as amended, is ordered placed on the Calendar for tomorrow, Thursday, October 1, upon third reading.

The President relinquishes the gavel to Senator Basnight, President Pro Tempore, who presides in the absence of the Lieutenant Governor.

H.B. 1357 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR "BEST VALUE" INFORMATION TECHNOLOGY PROCUREMENTS, placed on the Calendar earlier today, upon second reading.

The Committee Substitute bill passes its second (42-0) and third readings and is ordered enrolled and sent to the Governor, without objection, by special messenger.

H.B 900 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR FEDERAL MATCHING FUNDS FOR THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY AND WASTEWATER AND WATER SUPPLY MATCHING FUNDS FOR THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, TO APPROPRIATE FUNDS FOR CAPITAL APPROPRIATIONS FOR THE DEPARTMENT OF ADMINISTRATION AND THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, TO AUTHORIZE A TRANSFER OF FUNDS TO MEET TANF MAINTENANCE OF EFFORT REQUIREMENTS, TO APPROPRIATE FEDERAL BLOCK GRANT FUNDS FOR THE WELFARE TO WORK FORMULA GRANT PLAN, TO PROVIDE FOR WATER RESOURCES DEVELOPMENT PROJECTS, TO AMEND THE CARING PROGRAM FOR CHILDREN STATUTE ON THE UNINSURED, AND TO PROVIDE A MENTAL HEALTH RESERVE MATCH FOR MEDICAID, upon third reading.

Senator Basnight, President Pro Tempore, relinquishes the gavel to the President of the Senate, Lieutenant Governor Wicker, who presides.

Senator Odom offers Amendment No. 1 which is adopted (42-0), and changes the title to read **H.B. 900** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR FEDERAL MATCHING FUNDS FOR THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY AND WASTEWATER AND WATER SUPPLY MATCHING FUNDS FOR THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, TO APPROPRIATE FUNDS FOR CAPITAL APPROPRIATIONS FOR THE DEPARTMENT OF ADMINISTRATION AND THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, TO AUTHORIZE A TRANSFER

OF FUNDS TO MEET TANF MAINTENANCE OF EFFORT REQUIREMENTS, TO PROVIDE THAT IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT EXCESS TANF FUNDS BE USED TO CONTINUE THE IMPLEMENTATION OF FIRST STOP EMPLOYMENT ASSISTANCE, TO APPROPRIATE FEDERAL BLOCK GRANT FUNDS FOR THE WELFARE TO WORK FORMULA GRANT PLAN, TO PROVIDE FOR WATER RESOURCES DEVELOPMENT PROJECTS, TO AMEND THE CARING PROGRAM FOR CHILDREN STATUTE ON THE UNINSURED, AND TO PROVIDE A MENTAL HEALTH RESERVE MATCH FOR MEDICAID.

The Senate Committee Substitute bill, as amended, passes its third reading (43-0) and is ordered engrossed and sent without objection, by special messenger, to the House of Representatives for concurrence in the Senate Committee Substitute bill.

H.B. 1469 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT REORGANIZING THE STATE PERSONNEL COMMISSION AND AUTHORIZING THE CHAIR OF THE STATE PERSONNEL COMMISSION TO APPOINT PANELS OF ITS MEMBERS TO MAKE RECOMMENDATIONS TO THE FULL COMMISSION REGARDING THE FINAL DECISION IN CONTESTED CASES AND TO MAKE CHANGES TO THE EMPLOYEE INCENTIVE BONUS PROGRAM, upon third reading.

The Senate Committee Substitute bill, as amended on second reading, passes its third reading (43-0) and is ordered engrossed and sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

S.B. 1336 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE GOVERNOR'S DWI TASK FORCE AND THE JOINT CORRECTIONS AND CRIME CONTROL OVERSIGHT COMMITTEE TO REVISE THE DWI FORFEITURE LAWS AND OTHER RELATED LAWS; TO PROVIDE FOR "ZERO-TOLERANCE" FOR COMMERCIAL DRIVERS, DRIVERS OF SCHOOL BUSES, SCHOOL ACTIVITY BUSES, AND CHILD CARE VEHICLES; AND TO PROVIDE FOR IMMEDIATE ADMINISTRATIVE LICENSE REVOCATIONS FOR ALL PERSONS UNDER TWENTY-ONE YEARS OF AGE; AND TO INCREASE THE FINES FOR DWI OFFENSES AND TO MAKE CONFORMING CHANGES, for concurrence in House Committee Substitute bill No. 2, upon second reading.

The Senate concurs in House Committee Substitute bill No. 2 on its second reading by roll-call vote, ayes, 41, noes 2, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Jenkins, Jordan, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Soles, Warren, and Wellons—41.

Voting in the negative: Senators Horton and Webster—2.

The House Committee Substitute bill No. 2 is placed on the Calendar for Thursday, October 8, upon third reading.

Upon the appearance of Senator Shaw of Guilford in the Chamber, the Chair acknowledges his presence and the leave of absence granted previously is withdrawn.

The Senate recesses at 10:48 A.M. to reconvene at 4:00 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Frank Ballance, Deputy President *Pro Tempore*.

With unanimous consent, the Deputy President Pro Tempore grants leaves of absence for the remainder of today's Session to Senator Albertson, Senator Garwood, and Senator Moore.

The Senate recesses at 4:05 P.M. to reconvene at 8:00 P.M., subject to ratification of bills.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 1262, AN ACT TO APPROPRIATE FUNDS FOR ATTORNEYS FEES IN A CASE CHALLENGING THE 1992 CONGRESSIONAL REDISTRICTING PLAN AND TO AUTHORIZE THE TRANSFER OF FUNDS TO THE RESERVE FUND FOR THE BAILEY/EMORY/PATTON CASES REFUNDS.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Frank Ballance, Deputy President *Pro Tempore*.

CONFERENCE REPORT

S.B. 1360

Senator Plyler for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **S.B. 1360** (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW AND TO PROVIDE THAT A MAJORITY OF MEMBERS OF THE ALAMANCE-BURLINGTON BOARD OF EDUCATION SHALL BE ELECTED IN 1998, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 1360, A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW AND TO PROVIDE THAT A MAJORITY OF MEMBERS OF THE ALAMANCE-BURLINGTON BOARD OF EDUCATION SHALL BE ELECTED IN 1998, Third

Edition Engrossed 8/13/98, submit the following report:

The Senate concurs in the House Committee Substitute, Third Edition Engrossed 8/13/98 with the following amendments:

(1) On page 1, lines 2 through 5, rewrite those lines to read: "AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW.";

(2) On page 1, line 7, delete that line;

(3) On page 1, line 8, and page 6, lines 23 and 27, renumber the sections as Sections 1 through 3;

(4) On page 6 line 28, through page 7, line 13, rewrite those lines to read:

"Section 4. This act applies only to Union County.

Section 5. This act is effective when it becomes law."

The House agrees to the same.

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: September 29, 1998.

S/Aaron W. Plyler	S/Bobby H. Barbee, Sr.
S/John H. Carrington	S/C. D. Allred
S/Jeanne H. Lucas	Dennis A. Reynolds
S/William R. Purcell	S/N. Leo Daughtry
	Debbie A. Clary
Conferees for the Senate	*Conferees for the House of Representatives*

On motion of Senator Plyler, the Conference Report is placed on the Calendar for Thursday, October 1.

The Senate recesses at 8:06 P.M. to reconvene at 9:30 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Frank Ballance, Deputy President *Pro Tempore*.

The Senate recesses at 9:26 P.M. to reconvene at 11:00 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Frank Ballance, Deputy President *Pro Tempore*.

The Senate recesses at 11:03 P.M. to reconvene at 11:30 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Marc Basnight, President *Pro Tempore*.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

H.B. 900, AN ACT TO APPROPRIATE FUNDS FOR FEDERAL MATCHING FUNDS FOR THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY AND WASTEWATER AND WATER SUPPLY MATCHING FUNDS FOR THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, TO APPROPRIATE FUNDS FOR CAPITAL APPROPRIATIONS FOR THE DEPARTMENT OF ADMINISTRATION AND THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, TO AUTHORIZE A TRANSFER OF FUNDS TO MEET TANF MAINTENANCE OF EFFORT REQUIREMENTS, TO PROVIDE THAT IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT EXCESS TANF FUNDS BE USED TO CONTINUE THE IMPLEMENTATION OF FIRST STOP EMPLOYMENT ASSISTANCE, TO APPROPRIATE FEDERAL BLOCK GRANT FUNDS FOR THE WELFARE TO WORK FORMULA GRANT PLAN, TO PROVIDE FOR WATER RESOURCES DEVELOPMENT PROJECTS, TO AMEND THE CARING PROGRAM FOR CHILDREN STATUTE ON THE UNINSURED, AND TO PROVIDE A MENTAL HEALTH RESERVE MATCH FOR MEDICAID.

On motion of Senator Ballance, seconded by Senator McDaniel, the Senate adjourns at 11:57 P.M. to meet tomorrow, Thursday, October 1, at 11:00 A.M.

TWO HUNDRED EIGHTH DAY

Senate Chamber
Thursday, October 1, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Almighty God, the Prophet Isaiah's words ring throughout these Chambers today much like the newspaper headline for Armistice Day which signaled the end of the Great War;

" 'For out of Zion shall go forth instruction, God shall arbitrate for many peoples; they shall beat their swords into plows and their spears into pruning knives. People shall not lift up sword against other people.'

"Come let us walk in the light which the Lord has given us. Amen and Amen."

With unanimous consent, the President grants leaves of absence for today to Senator

Albertson, Senator Garwood, Senator Moore, Senator Page, Senator Rucho, and Senator Warren.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Wednesday, September 30, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 55, AN ACT TO ELIMINATE THE FEE FOR PURPLE HEART REGISTRATION PLATES, TO REQUIRE THE DIVISION OF MOTOR VEHICLES TO REDESIGN THE PURPLE HEART PLATE, AND TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A SPECIAL REGISTRATION PLATE TO A RECIPIENT OF THE SILVER STAR, TO A RECIPIENT OF THE BRONZE STAR, AND TO A RECIPIENT OF THE DISTINGUISHED FLYING CROSS. (Became law upon approval of the Governor, September 29, 1998 - S.L. 1998-163.)

S.B. 1262, AN ACT TO APPROPRIATE FUNDS FOR ATTORNEYS FEES IN A CASE CHALLENGING THE 1992 CONGRESSIONAL REDISTRICTING PLAN AND TO AUTHORIZE THE TRANSFER OF FUNDS TO THE RESERVE FUND FOR THE BAILEY/EMORY/PATTON CASES REFUNDS. (Became law upon approval of the Governor, September 30, 1998 - S.L. 1998-164.)

S.B. 1285, AN ACT TO EXEMPT THE TRANSPORTATION OF CERTAIN AGRICULTURAL PRODUCTS FROM VARIOUS REQUIREMENTS IN CONFORMITY WITH FEDERAL REGULATIONS AND TO AUTHORIZE THE SOIL AND WATER CONSERVATION COMMISSION TO ADOPT TEMPORARY RULES TO IMPLEMENT THE CONSERVATION RESERVE ENHANCEMENT PROGRAM. (Became law upon approval of the Governor, September 30, 1998 - S.L. 1998-165.)

H.B. 900, AN ACT TO APPROPRIATE FUNDS FOR FEDERAL MATCHING FUNDS FOR THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY AND WASTEWATER AND WATER SUPPLY MATCHING FUNDS FOR THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, TO APPROPRIATE FUNDS FOR CAPITAL APPROPRIATIONS FOR THE DEPARTMENT OF ADMINISTRATION AND THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, TO AUTHORIZE A TRANSFER OF FUNDS TO MEET TANF MAINTENANCE OF EFFORT REQUIREMENTS, TO PROVIDE THAT IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT EXCESS TANF FUNDS BE USED TO CONTINUE THE IMPLEMENTATION OF FIRST STOP EMPLOYMENT ASSISTANCE, TO APPROPRIATE FEDERAL BLOCK GRANT FUNDS FOR THE WELFARE TO WORK FORMULA GRANT PLAN, TO PROVIDE FOR WATER RESOURCES DEVELOPMENT PROJECTS, TO AMEND THE CARING PROGRAM FOR CHILDREN STATUTE ON THE UNINSURED, AND TO PROVIDE A MENTAL HEALTH RESERVE MATCH FOR MEDICAID. (Became law upon approval of the Governor, September 30, 1998 - S.L. 1998-166.)

INTRODUCTION OF A RESOLUTION

A resolution filed for introduction is presented to the Senate, read the first time, and disposed of, as follows:

By Senators Lucas, Gulley, Albertson, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Horton, Jenkins, Jordan, Kinnaird, Ledbetter, Lee, Martin of Guilford, Martin of Pitt, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Soles, Warren, Webster and Wellons:

S.R. 1605, A SENATE RESOLUTION HONORING THE ONE HUNDREDTH ANNIVERSARY OF NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY, ONE OF NORTH CAROLINA'S GREATEST INSTITUTIONS.

On motion of Senator Rand, the Senate resolution is placed before the Senate for immediate consideration and is read in its entirety.

On motion of Senator Basnight, the remarks of the Senators honoring the One Hundredth Anniversary of North Carolina Mutual Life Insurance Company are spread upon the Journal, as follows:

Lieutenant Governor:

Senator Lucas is recognized to explain the Resolution.

Senator Lucas:

Thank you Mr. President and members of the Senate. The strength of our State lies in the fortitude of our great institutions. From the seed of a small acorn, the mighty oak tree is born. Back on October 20th in 1898, seven valiant men, John Merrick, Dr. Aaron McDuffie Moore, Dr. James E. Sheppard, William G. Pearson, Edward A. Johnson, D. T. Watson, and M. C. Bruce had a vision. And from that vision the foundation of a mighty fortress in North Carolina was created. For one hundred years North Carolina Mutual Life Insurance Company has stood as a symbol of a mighty oak tree in North Carolina enduring the harsh and turbulent winds of political, economic, and social changes. In spite of prevailing circumstances, the founders of North Carolina Mutual had vision to see, faith to believe and courage to do. During the span of their lives they were able to see slavery abolished by the blood bath of the Civil War, the rights and privileges of citizens for Blacks legalized by amendments to the constitutions, men of color and women of color elected by a vote of the people to membership of many legislative bodies, both State and Federal, and the shadows of illiteracy diminishing as the dawn of intellectual light brightened the pathway of the first generation of emancipated African-Americans to whom the doors of educational institutions have opened. These founders, their associates, successors, and patrons, exemplified laudable courage and imminent ambition. North Carolina Mutual Life Insurance Company is the oldest and largest African-American life insurance company in the United States and the oldest life insurance company in North Carolina with license to operate in twenty-one states and the District of Columbia. Today with more than nine billion dollars of insurance in force, North Carolina Mutual Life Insurance Company is ranked in the top 175 of the approximately 1,800 life insurance companies in the United States. Since its inception one hundred years ago, North Carolina Mutual has provided a mark of stability in North Carolina's growing economy and the rock of financial comfort for hundreds of thousands of North Carolina citizens. It is only fitting that we salute and commend today one of North Carolina's greatest

institutions for its one hundred years of continuous operation and contributions to our State. I recommend the Resolution to you."

Senator Gulley:

"Thank you Mr. President, Ladies and Gentlemen, colleagues. The Resolution before you is an important one, I think, not just for our community but for the whole State. It certainly recognizes a corporation that has been a central part of one of the major urban communities of this State for many, many years. It recognizes an institution that we are all quite proud of in Durham, not just for the fact that it's there and the service that it provides, but for the help and the leadership that we've gotten from a number of the executives and employees of the North Carolina Mutual Life Insurance for years that have led into decades that now total one hundred years. It is a fine institution. It has been an exemplary corporate citizen in Durham for many years. It has continued to carry on its work in the heart of our downtown and to be part of a vibrant downtown. When I think about North Carolina Mutual, I think there're two lessons to be drawn from their example. One is that, and you have to put yourself back a hundred years ago in 1898, a very different time in this country, a very different time in terms of starting a business and the economic difficulties just of doing that. And also I think a time when it was very difficult for African-Americans to start a business at all anywhere in this country. And yet a small group of folks in our community dedicated themselves to this, worked hard, raised seed capital that, Senator Lucas, at least by history and legend, has a diverse source to it. But with a little bit of seed capital and a chance to make this business happen, they took the ball and ran with it and have turned it into, as you've heard, the largest Black-owned insurance institution in this country and one of the largest in the world and a major economic force. I think it shows that if we give a chance for anyone in America to participate economically, to have a stake to work hard and to make a business, that anyone in America can do it. And so really a lesson that comes to, is to try to make sure that we have an economy that everyone can participate in, that there are no barriers, artificial barriers to anyone participating in the American economy. The second lesson that I take from it, because in my law practice I've dealt with a number of small businesses, you see a lot of them get started with a lot of hopes, you see a lot of them unfortunately fail. You see a lot of institutions have trouble making it through the first year. As we know from statistics most of them don't make it to the fifth year, and yet we have here an institution started in a very difficult circumstance with a true uphill struggle and it's been here now for a hundred years, as Senator Lucas has told us. I think that is a testimony to the vision of the founders but even more importantly to the hard work day after day in the visionary and effective leadership that North Carolina Mutual has enjoyed over the years. And so we salute them today for all the people that have been a part of it for a hundred years, for their leadership and example, and for the contributions back to the Durham community and the North Carolina community. I commend the Resolution to you. Thank you."

Senator Shaw of Guilford:

"I might add a little to Senator Gulley, a little footnote in his history. One of the sons, Asa Spaulding, Jr., in 1976 was a first Black statewide candidate ever to run and I helped recruit him to run as Secretary of State on the Republican ticket that year."

Senator Lee:

"Mr. President, members of the Senate, growing up in the South, it was difficult for young children of color to find models in the world of business after which to pattern. Like many, I was fueled and inspired by my dreams of possibilities, my dreams of hope. I

used to look at magazines and see people wearing ties and carrying briefcases and thought how wonderful it would be follow in the footsteps. The only real live person in my community who wore a tie and carried a briefcase was the insurance man representing North Carolina Mutual Life Insurance Company. And I thought, there's a model after which I can pattern myself. Therein lies a possibility, because I thought it was cool to wear a tie and carry a briefcase. When my wife and I married, we lived in Savannah, Georgia. The only policies we bought, the first policies we bought were from North Carolina Mutual Life Insurance Company and we paid something like a dollar a week on that policy. And I recall sitting here that my mother had policies on all of her children and she paid ten cents a week on that policy. And when you think of a company such as North Carolina Mutual standing alone as a beacon light, it is through this company that many people found hope, were able to dream and think of possibilities. I never thought I'd stand here today giving praise to this outstanding institution and to say that I have personally come to know many of the leaders and the descendants of the founders, people who dreamed of things that could be better, who served as a model for us all. I congratulate North Carolina Mutual for having maintained its presence as a symbol of possibilities, a symbol of hope and surviving in a competitive business world. I'm delighted that they're in our State, that they are a part of North Carolina and that we can claim them as a part of us."

Senator Dannelly:

"Ladies and Gentlemen of this august body, before I was born my father was a personal friend of John Merrick. What the Resolution did not say, is that John Merrick, and I'm sure the other six founders of North Carolina Mutual, went out and sold policies. And my father was among one of the first policy holders paying five cents a week for a life policy. And through the years North Carolina Mutual has set the example and given inspiration to the other aspiring African-Americans who wanted to go into business. I'm proud to salute North Carolina Mutual and I commend the Resolution to all of you. Thank you."

Senator Soles:

"Mr. President, Ladies and Gentlemen of the Senate as we look at this Resolution and we think about North Carolina Mutual Life Insurance Company, we all know what a great institution that is and how much the company itself has done for North Carolina. But I think we have to look beyond the company and look at these names and understand what those individuals have done for the State and for the community. And I particularly want to speak about the Asa Spaulding family. The Spauldings originated or had their roots, and still to this day, in Columbus County. They are outstanding people. Columbus County is far better today because of the Spaulding family that has lived there. Many of them still reside in my district, my county. Many of us have gone to Durham and other places and have led outstanding lives and although I can't speak directly to Mr. McDuffie Moore and some others whose names are on here, I'd be willing to bet you that if you look in the communities where they came from, the communities that they lived in, that you would find that those lives and their examples far outweigh and outshine the great accomplishments that even North Carolina Mutual has accomplished. And I recommend this Resolution to you."

On motion of Senator Lucas, the Senate Resolution is adopted (41-0). (The text of this Resolution appears in the Appendix.)

COMMITTEE REFERRAL RECALL

S.B. 916 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REWRITE THE LAWS REGULATING COSMETIC ART AND TO REGULATE THE PRACTICE OF MASSAGE AND BODYWORK THERAPY, referred to the **Finance Committee** on September 18.

Pursuant to Rule 47(a), Senator Kerr offers a motion that the House Committee Substitute bill be withdrawn from the **Finance Committee** and placed on the Calendar for today, which motion prevails, with unanimous consent.

The Chair orders the House Committee Substitute bill withdrawn from the **Finance Committee** and places it on today's Calendar, for concurrence in the House Committee Substitute bill.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1126 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXEMPT LOCAL PAY PHONE SERVICES FROM SALES TAX, upon second reading.

With unanimous consent, on motion of Senator Hoyle, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, October 6, upon second reading.

H.B. 661 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW THE HENDERSON COUNTY BOARD OF COMMISSIONERS TO REDISTRICT THEIR RESIDENCY DISTRICTS, upon second reading, with Amendment No. 1 pending.

Senator Ledbetter withdraws Amendment No. 1 which was submitted on August 27, 1997.

The Committee Substitute bill passes its second reading.

Senator Jenkins objects to third reading of the measure. Pursuant to Rule 50, the President orders the measure placed on the Calendar for Monday, October 5, upon third reading.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

A message and a special message received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 672 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF CHARLOTTE TO CONTRACT WITH PRIVATE PARTIES FOR THE DEVELOPMENT, CONSTRUCTION, AND OCCUPANCY OF CHARLOTTE-DOUGLAS INTERNATIONAL AIRPORT SPECIAL USER PROJECTS WITHOUT COMPLYING WITH ARTICLE 8 OF CHAPTER 143 OF THE GENERAL STATUTES, for concurrence in House Committee Substitute bill No. 2.

On motion of Senator Odom, the rules are suspended without objection, and House Committee Substitute bill No. 2 is placed on today's Calendar for concurrence.

S.B. 1280 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO

PROVIDE AN ALTERNATIVE PROCUREMENT BY COMPETITIVE PROPOSAL PROCEDURE FOR THE PURCHASE OF APPARATUS, SUPPLIES, MATERIALS, OR EQUIPMENT BY A REGIONAL PUBLIC TRANSPORTATION AUTHORITY OR A REGIONAL TRANSPORTATION AUTHORITY, for concurrence in the House Committee Substitute bill, which is placed on the Calendar for Monday, October 5.

CALENDAR *(Continued)*

S.B. 1360 (Conference Report), A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW, for adoption.

On motion of Senator Plyler, the Senate adopts the Conference Report (42-0).

The Chair orders a message sent to the House of Representatives informing that Honorable Body of such action.

H.B. 1448 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE FISHERIES REFORM ACT OF 1997 AND RELATED MARINE FISHERIES LAWS AND TO CLARIFY THE RESERVED RIGHTS OF THE PUBLIC IN OCEAN BEACHES SEAWARD OF THE VEGETATION LINE, upon third reading.

With unanimous consent, on motion of Senator Rand, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, October 6, upon third reading.

S.B. 916 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REWRITE THE LAWS REGULATING COSMETIC ART AND TO REGULATE THE PRACTICE OF MASSAGE AND BODYWORK THERAPY, placed earlier on today's Calendar for concurrence.

The Senate fails to concur in the House Committee Substitute bill (0-42). Senator Kerr offers a motion that the Senate appoint conferees, which motion prevails.

The President *Pro Tempore* appoints Senator Kerr, Chairman, and Senators Carrington, Cochrane, Gulley, and Hoyle as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action and requesting conferees.

S.B. 672 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ALLOW THE CITY OF CHARLOTTE TO CONTRACT WITH PRIVATE PARTIES FOR THE DEVELOPMENT, CONSTRUCTION, AND OCCUPANCY OF CHARLOTTE-DOUGLAS INTERNATIONAL AIRPORT SPECIAL USER PROJECTS WITHOUT COMPLYING WITH ARTICLE 8 OF CHAPTER 143 OF THE GENERAL STATUTES, placed earlier on today's Calendar for concurrence.

The Senate concurs in the House Committee Substitute bill No. 2 (42-0) and the measure is ordered enrolled.

RECALL FROM CLERK'S OFFICE

S.B. 1291 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION, REGIONAL PUBLIC TRANSPORTATION AUTHORITIES, AND REGIONAL TRANSPORTATION AUTHORITIES TO CREATE TRANSPORTATION CORRIDORS AND PROTECT THEM FROM DEVELOPMENT, AND TO INSURE PROPER NOTICE TO ALL

PROPERTY OWNERS AFFECTED BY THE CORRIDORS, ordered held in the Office of the Principal Clerk on Monday, September 28.

Pursuant to Rule 43, Senator Rand offers a motion that the House Committee Substitute bill be withdrawn from the Office of the Principal Clerk and placed before the Senate for immediate consideration, for concurrence, upon second reading, which motion prevails with unanimous consent.

The Chair orders the House Committee Substitute bill withdrawn from the Office of the Principal Clerk, and places it before the Senate for immediate consideration, for concurrence, upon second reading.

The Senate concurs in the House Committee Substitute bill on its second reading by roll-call vote, ayes 42, noes 0, as follows:

Voting in the affirmative: Senators Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford, Soles, Webster, Weinstein, and Wellons—42.

Voting in the negative: None.

The House Committee Substitute bill remains on the Calendar for Monday, October 5, upon third reading.

On motion of Senator Basnight, seconded by Senator Plyler, the Senate adjourns at 11:48 A.M. to meet Monday, October 5, at 7:00 P.M.

TWO HUNDRED NINTH DAY

Senate Chamber
Monday, October 5, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear Lord, with Your help, there is no difficulty that we cannot overcome.

"Sometimes, admittedly, we take a circuitous route when facing challenges. Having attempted unsuccessfully to go around them, under them, or over them, finally, we just plow right through them.

"Thankfully, the men and women of the Senate have been doing some serious plowing lately. Yet, there are still a few straight rows to furrow. By Your grace and with Your help, may they be able to say at week's end, we've finished the garden. Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator Lee, Senator McDaniel, Senator Moore, and Senator Soles.

Senator Basnight, President *Pro Tempore*, announces the Journal of Thursday, October 1, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.B. 672, AN ACT TO ALLOW THE CITY OF CHARLOTTE TO CONTRACT WITH PRIVATE PARTIES FOR THE DEVELOPMENT, CONSTRUCTION, AND OCCUPANCY OF CHARLOTTE-DOUGLAS INTERNATIONAL AIRPORT SPECIAL USER PROJECTS WITHOUT COMPLYING WITH ARTICLE 8 OF CHAPTER 143 OF THE GENERAL STATUTES.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

S.B. 1594, AN ACT TO IMPOSE TEACHER CERTIFICATION FEES. (Became law upon approval of the Governor, October 2, 1998 - S.L. 1998-167.)

S.B. 1299, AN ACT TO AMEND THE LAWS REGARDING THE WITHDRAWAL AND TRANSFER OF SURFACE WATERS AND THE STATE WATER SUPPLY PLAN. (Became law upon approval of the Governor, October 2, 1998 - S.L. 1998-168.)

H.B. 1304, AN ACT TO REFORM THE BOARD OF TRANSPORTATION BY ALTERING ITS GOVERNANCE STRUCTURE, AUTHORIZING A NEW ETHICS POLICY, REQUIRING DISCLOSURE OF POLITICAL CONTRIBUTIONS BY BOARD MEMBERS, INCREASING PUBLIC PARTICIPATION IN ITS DECISIONS, AND CHANGING THE PENALTIES FOR MISUSE OF A DOT BOARD POSITION. (Became law upon approval of the Governor, October 2, 1998 - S.L. 1998-169.)

S.B. 1243, AN ACT TO ADD CLERKS OF COURT TO THE SENTENCING AND POLICY ADVISORY COMMISSION, THE CRIMINAL JUSTICE ADVISORY BOARD, AND THE GOVERNOR'S CRIME COMMISSION. (Became law upon approval of the Governor, October 2, 1998 - S.L. 1998-170.)

H.B. 1326, AN ACT TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE USED IN DEFINING AND DETERMINING CERTAIN STATE TAX PROVISIONS, TO EXTEND THE CORPORATE INCOME TAX CARRYFORWARD FOR NET ECONOMIC LOSSES, TO CONFORM TO FEDERAL GIFT TAX TREATMENT OF CONTRIBUTIONS TO QUALIFIED TUITION PROGRAMS, AND TO CORRECT TWO REDLINING ERRORS IN 1998 TAX LEGISLATION. (Became law upon approval of the Governor, October 2, 1998 - S.L. 1998-171.)

H.B. 1260, AN ACT TO RESTORE THE AUTHORITY OF LOCAL GOVERNMENTS TO ADOPT FLOODPLAIN MANAGEMENT ORDINANCES. (Became law upon approval of the Governor, October 2, 1998 - S.L. 1998-172.)

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 1366

House of Representatives
October 5, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that Representative Sexton has been added as an additional Conferee for House Committee Substitute for SB 1366, A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.

Respectfully,
S/Denise Weeks
Principal Clerk

CALENDAR

Bills on tonight's Calendar are taken up and disposed of, as follows:

H.B. 661 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW THE HENDERSON COUNTY BOARD OF COMMISSIONERS TO REDISTRICT THEIR RESIDENCY DISTRICTS.

With unanimous consent, on motion of Senator Jenkins, the Committee Substitute is withdrawn from tonight's Calendar and is placed on the Calendar Wednesday, October 7, upon third reading.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

S.B. 350 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE LAWS GOVERNING EMPLOYEE INSURANCE COMMITTEES TO ALLOW FOR A CENTRAL EMPLOYEE INSURANCE COMMITTEE IN THE DEPARTMENT OF HUMAN RESOURCES, for concurrence in House Amendment No. 1.

Pursuant to Rule 43, the Committee Substitute bill is ordered held in the Office of the Principal Clerk pending referral to committee.

CALENDAR *(Continued)*

S.B. 1291 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION, REGIONAL PUBLIC TRANSPORTATION AUTHORITIES, AND REGIONAL TRANSPORTATION AUTHORITIES TO CREATE TRANSPORTATION CORRIDORS AND PROTECT

THEM FROM DEVELOPMENT, AND TO INSURE PROPER NOTICE TO ALL PROPERTY OWNERS AFFECTED BY THE CORRIDORS, for concurrence in the House Committee Substitute bill, upon third reading.

The Senate concurs in the House Committee Substitute bill on its third reading by roll-call vote, ayes 44, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lucas, Martin of Pitt, Martin of Guilford, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Rucho, Shaw of Cumberland, Shaw of Guilford, Warren, Webster, Weinstein, Wellons, and Winner—44.

Voting in the negative: None.

The House Committee Substitute bill is ordered enrolled and sent to the Governor.

S.B. 1280 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE AN ALTERNATIVE PROCUREMENT BY COMPETITIVE PROPOSAL PROCEDURE FOR THE PURCHASE OF APPARATUS, SUPPLIES, MATERIALS, OR EQUIPMENT BY A REGIONAL PUBLIC TRANSPORTATION AUTHORITY OR A REGIONAL TRANSPORTATION AUTHORITY, for concurrence in the House Committee Substitute bill.

The Senate concurs in the House Committee Substitute bill (43-0) and the measure is ordered enrolled and sent to the Governor.

RECALL FROM ENROLLING OFFICE

H.B. 1357 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR "BEST VALUE" INFORMATION TECHNOLOGY PROCUREMENTS, ordered enrolled on September 30.

Senator Rand offers a motion that the Committee Substitute bill be recalled from the Enrolling Office, which motion prevails, with unanimous consent. The Chair orders the Committee Substitute bill recalled from the Enrolling Office. Senator Rand further moves that the rules be suspended and that the Committee Substitute bill be placed before the Senate for immediate consideration which motion prevails, with unanimous consent. Having voted in the majority, Senator Rand offers a further motion that the vote by which the Committee Substitute bill passed its third reading be reconsidered, which motion prevails, and the question before the Body becomes the passage of the Committee Substitute bill upon third reading.

Senator Rand offers Amendment No. 1 which is adopted (45-0).

The Committee Substitute bill, as amended, passes its third reading (44-0) and is ordered sent to the House of Representatives for concurrence in Senate Amendment No. 1.

On motion of Senator Basnight, seconded by Senator Rucho, the Senate adjourns at 7:20 P.M. to meet tomorrow, Tuesday, October 6, at 3:30 P.M.

TWO HUNDRED TENTH DAY

Senate Chamber
Tuesday, October 6, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Almighty God, the Psalmist wrote, 'The earth is the Lord's and the fullness thereof, the world and we that dwell therein.'

"Today, we simply and gratefully acknowledge the privilege to be North Carolinians. You have blessed our State with attractive geography, a prosperous economy, a rich heritage, and great natural resources, the greatest of which is the citizenry of our State.

"Help us to be good stewards of Your rich legacy, to these people we call friends and neighbors. Help us continue to serve them well. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Carrington, Senator Kerr, Senator Page, Senator Rand, and Senator Webster.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Monday, October 5, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 1280, AN ACT TO PROVIDE AN ALTERNATIVE PROCUREMENT BY COMPETITIVE PROPOSAL PROCEDURE FOR THE PURCHASE OF APPARATUS, SUPPLIES, MATERIALS, OR EQUIPMENT BY A REGIONAL PUBLIC TRANSPORTATION AUTHORITY OR A REGIONAL TRANSPORTATION AUTHORITY.

S.B. 1291, AN ACT TO AUTHORIZE THE DEPARTMENT OF TRANSPORTATION, REGIONAL PUBLIC TRANSPORTATION AUTHORITIES, AND REGIONAL TRANSPORTATION AUTHORITIES TO CREATE TRANSPORTATION CORRIDORS AND PROTECT THEM FROM DEVELOPMENT, AND TO INSURE PROPER NOTICE TO ALL PROPERTY OWNERS AFFECTED BY THE CORRIDORS.

CHAPTERED BILL

The Enrolling Clerk reports the following bill properly enrolled, assigned the following Chapter Number, and presented to the Office of the Secretary of State:

S.B. 672, AN ACT TO ALLOW THE CITY OF CHARLOTTE TO CONTRACT WITH PRIVATE PARTIES FOR THE DEVELOPMENT, CONSTRUCTION, AND

OCCUPANCY OF CHARLOTTE-DOUGLAS INTERNATIONAL AIRPORT SPECIAL USER PROJECTS WITHOUT COMPLYING WITH ARTICLE 8 OF CHAPTER 143 OF THE GENERAL STATUTES. (Became law upon ratification, October 5, 1998 - S.L. 1998-173.)

EXECUTIVE ORDER

An Executive Order received in the Office of the Senate Principal Clerk is presented to the Senate and read as follows:

Executive Order Number 140, Council on Health Policy Information.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1448 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE FISHERIES REFORM ACT OF 1997 AND RELATED MARINE FISHERIES LAWS AND TO CLARIFY THE RESERVED RIGHTS OF THE PUBLIC IN OCEAN BEACHES SEAWARD OF THE VEGETATION LINE, upon third reading.

Senator Albertson offers Amendment No. 2.

The President relinquishes the gavel to Senator Basnight, President Pro Tempore, who presides in the absence of the Lieutenant Governor.

With unanimous consent, upon motion of Senator Albertson, the Senate Committee Substitute bill is withdrawn from today's Calendar and placed it on the Calendar for tomorrow, Wednesday, October 7, with Amendment No. 2 pending.

Upon the appearance of Senator Webster in the Chamber, the President Pro Tempore acknowledges his presence and the leave of absence granted previously is withdrawn.

With unanimous consent, the President Pro Tempore grants a leave of absence for the remainder of today's Session to Senator Gulley.

CONFERENCE REPORT

S.B. 1202

Senator Dannelly for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **S.B. 1202** (House Committee Substitute No 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE COUNTY CONVEYANCE OF SURPLUS AUTOMOBILES TO A NOT-FOR-PROFIT RECIPIENT FOR SUBSEQUENT CONVEYANCE TO WORK FIRST PARTICIPANTS, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 1202, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE COUNTY CONVEYANCE OF SURPLUS AUTOMOBILES TO A NOT-

FOR-PROFIT RECIPIENT FOR SUBSEQUENT CONVEYANCE TO WORK FIRST PARTICIPANTS, House Committee Substitute Sixth Edition Engrossed 9/16/98, wish to report as follows:

The Senate concurs in the House Committee Substitute Sixth Edition Engrossed 9/16/98, with the following amendment and the House agrees to the same.

on page 2, lines 1 through 3, are rewritten to read:

"adopted by the local department of social services. In the discretion of the public or private entity to which the city or county conveys the surplus automobile, when that entity conveys the vehicle to a Work First participant it may arrange for an appropriate security interest in the vehicle, including a lien or lease, until such time as the Work"

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: October 6, 1998.

S/Charlie S. Dannelly	S/Julia C. Howard
S/R. A. Cooper, III	S/Howard J. Hunter
S/Jeanne Lucas	S/William E. McMahan
S/William N. Martin	S/Constance K. Wilson
S/Allen H. Wellons	
Conferees for the Senate	*Conferees for the House of Representatives*

The Conference Report is ordered placed on the Calendar for tomorrow, Wednesday, October 7, for adoption.

CALENDAR *(Continued)*

H.B. 926 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS, upon second reading.

With unanimous consent, on motion of Senator Jenkins, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Thursday, October 8, upon second reading.

H.B. 1126 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO EXEMPT LOCAL PAY PHONE SERVICES FROM SALES TAX, upon second reading.

The Senate Committee Substitute bill passes its second (43-1) and third readings and is ordered sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

REPORT OF COMMITTEE

A standing committee report is submitted out of the regular order of business, a bill is read by its title, together with the report accompanying it, and takes its place on the

Calendar, as follows:

By Senator Hoyle for the **Finance Committee**:

H.B. 1629 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO REMOVE AN AREA FROM THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, TO ANNEX AN AREA AS DESCRIBED INTO THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, AND GIVE ADDITIONAL AUTHORITY TO THAT CITY TO MAKE VOLUNTARY SATELLITE ANNEXATIONS, with a favorable report.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 1360

House of Representatives
October 6, 1998

Mr. President:

Pursuant to your message that you have adopted the report of the Conferees on House Committee Substitute for SB 1360, A BILL TO BE ENTITLED AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW, it is ordered that a message be sent to your Honorable Body with the information that the House has adopted the report of the Conferees, and you may order the bill enrolled.

Respectfully,
S/Denise Weeks
Principal Clerk

Pursuant to the Senate having adopted the Conference Report on October 1, the Chair orders the bill enrolled.

On motion of Senator Ballance, seconded by Senator McDaniel, the Senate adjourns at 4:15 P.M. to meet tomorrow, Wednesday, October 7, at 2:00 P.M.

TWO HUNDRED ELEVENTH DAY

Senate Chamber
Wednesday, October 7, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"All Knowing God, Your profound truth is often communicated to us in simple one-liners. Holy Scripture describes these communications in terms such as, 'out of the mouth of babes', or '..making the wise foolish.'

"Mark Twain captured one of Your thoughts and paraphrased it a little when he wrote, 'Always do what is right. It will please some and astonish the rest.'

"Help us discern what is right to do today and then do it! Amen."

With unanimous consent, the President grants leaves of absence for today to Senator East and Senator Page.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Tuesday, October 6, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

H.B. 20, AN ACT TO INCREASE TO SEVEN PERCENT THE INCOME TAX CREDIT FOR CHARITABLE CONTRIBUTIONS BY NONITEMIZERS.

H.B. 1469, AN ACT REORGANIZING THE STATE PERSONNEL COMMISSION AND AUTHORIZING THE CHAIR OF THE STATE PERSONNEL COMMISSION TO APPOINT PANELS OF ITS MEMBERS TO MAKE RECOMMENDATIONS TO THE FULL COMMISSION REGARDING THE FINAL DECISION IN CONTESTED CASES AND TO MAKE CHANGES TO THE EMPLOYEE INCENTIVE BONUS PROGRAM.

The Enrolling Clerk reports the following bill duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.B. 1360, AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW.

REPORT OF COMMITTEE

A bill is reported from a standing committee, read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Hoyle for the **Finance Committee**:

H.B. 1055 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE MANDATORY ARBITRATION OF CLAIMS RELATED TO DEFECTIVE SEED, with an unfavorable report as to Committee Substitute bill No. 2, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 1622, which changes the title, upon concurrence, to read **H.B. 1055** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE INVESTIGATION AND RESOLUTION OF CLAIMS RESULTING FROM DEFECTIVE SEED, is adopted and engrossed.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1629 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO REMOVE AN AREA FROM THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, TO ANNEX AN AREA AS DESCRIBED INTO THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, AND GIVE ADDITIONAL AUTHORITY TO THAT CITY TO MAKE VOLUNTARY SATELLITE ANNEXATIONS, upon second reading.

With unanimous consent, on motion of Senator Hoyle, the Committee Substitute bill No. 2 is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, October 13, upon second reading.

WITHDRAWAL FROM CLERK'S OFFICE

S.B. 350 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE LAWS GOVERNING EMPLOYEE INSURANCE COMMITTEES TO ALLOW FOR A CENTRAL EMPLOYEE INSURANCE COMMITTEE IN THE DEPARTMENT OF HUMAN RESOURCES, received from the House of Representatives on October 5 for concurrence in House Amendment No.1 and ordered held in the Office of the Principal Clerk pursuant to Rule 43, pending referral to committee.

Senator Rand offers a motion that the Committee Substitute bill be withdrawn from the Office of the Principal Clerk and placed on today's Calendar, which motion prevails with unanimous consent.

The Chair orders the Committee Substitute bill withdrawn from the Office of the Principal Clerk and places it on today's Calendar, for concurrence in House Amendment No. 1.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill is presented to the Senate, read the first time, and disposed of, as follows:

H.B. 1472 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW STATE AGENCIES TO RETAIN RECEIPTS FROM THE SALE OF RECYCLABLE MATERIALS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

Referred to **Agriculture/Environment/Natural Resources Committee**.

CALENDAR *(Continued)*

H.B. 661 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW THE HENDERSON COUNTY BOARD OF COMMISSIONERS TO REDISTRICT THEIR RESIDENCY DISTRICTS, upon third reading.

The Committee Substitute bill passes its third reading and is ordered enrolled.

H.B. 1448 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE FISHERIES REFORM ACT OF 1997 AND RELATED MARINE

FISHERIES LAWS AND TO CLARIFY THE RESERVED RIGHTS OF THE PUBLIC IN OCEAN BEACHES SEAWARD OF THE VEGETATION LINE, upon third reading, as amended on second reading.

Senator Albertson withdraws Amendment No. 2 which was submitted on October 6.

Senator Albertson offers Amendment No. 3 which is adopted (46-0) and changes the title to read **H.B. 1448** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE FISHERIES REFORM ACT OF 1997 AND RELATED MARINE FISHERIES LAWS AND TO RECOGNIZE THE COMMON LAW RIGHT OF THE PUBLIC TO THE CUSTOMARY FREE USE AND ENJOYMENT OF THE OCEAN BEACHES.

The Senate Committee Substitute bill, as amended, passes its third reading by roll-call vote, ayes 47, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—47.

Voting in the negative: None.

The Senate Committee Substitute bill is ordered engrossed and sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

S.B. 1202 (Conference Report), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE COUNTY CONVEYANCE OF SURPLUS AUTOMOBILES TO A NOT-FOR-PROFIT RECIPIENT FOR SUBSEQUENT CONVEYANCE TO WORK FIRST PARTICIPANTS, for adoption.

On motion of Senator Dannelly, the Senate adopts the Conference Report (45-2).

The Chair orders a message sent to the House of Representatives informing that Honorable Body of such action.

S.B. 350 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE LAWS GOVERNING EMPLOYEE INSURANCE COMMITTEES TO ALLOW FOR A CENTRAL EMPLOYEE INSURANCE COMMITTEE IN THE DEPARTMENT OF HUMAN RESOURCES, placed earlier on today's Calendar for concurrence in House Amendment No. 1.

The Senate concurs in House Amendment No. 1 (47-0) and the measure is ordered enrolled and sent to the Governor.

COMMITTEE REFERRAL RECALL

S.B. 1199 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO INCREASE VARIOUS FEES, TO ESTABLISH A FEE FOR FAIRNESS HEARING CONDUCTED BY THE OFFICE OF THE SECRETARY OF STATE, TO INCREASE THE AUTOPSY FEE, TO REVISE AND PLACE INTO THE GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE WATER QUALITY PROGRAM, TO INCREASE THE PROCESS AND FACILITIES FEES IN THE GENERAL COURT OF JUSTICE, TO SET THE PUBLIC UTILITY REGULATORY FEE, AND TO SET THE INSURANCE REGULATORY CHARGE, referred to the **Finance Committee** on Monday, September 28.

Pursuant to Rule 47(a), Senator Kerr offers a motion that the House Committee Substitute bill No. 2 be withdrawn from the **Finance Committee** and placed on the Calendar for Thursday, October 8, which motion prevails with unanimous consent.

The Chair orders the House Committee Substitute bill No. 2 withdrawn from the **Finance Committee** and places it on the Calendar for Thursday, October 8.

On motion of Senator Basnight, seconded by Senator Lee, the Senate adjourns at 2:23 P.M. to meet tomorrow, Thursday, October 8, at 10:00 A.M.

TWO HUNDRED TWELFTH DAY

Senate Chamber
Thursday, October 8, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Lord God of Righteousness and Justice, there is in each of us a spirit of self-interest which inclines us to pragmatism as a way of life. Protect us from the subtlety of self-deception. Give us wisdom to examine our plans in the light of Your truth and grant us courage to do what our God-enlightened consciences dictate. In Your Holy Name we pray, Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Carrington, Senator Gulley, Senator Hoyle, Senator Ledbetter, Senator Perdue, Senator Rucho, and Senator Webster.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Wednesday, October 7, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 350, AN ACT TO AMEND THE LAWS GOVERNING EMPLOYEE INSURANCE COMMITTEES TO ALLOW FOR A CENTRAL EMPLOYEE INSURANCE COMMITTEE IN THE DEPARTMENT OF HUMAN RESOURCES.

S.B. 1150, AN ACT TO DELAY THE SUNSET OF THE REQUIREMENT THAT COUNTIES USE PART OF THE TWO HALF-CENT LOCAL SALES TAX PROCEEDS ONLY FOR PUBLIC SCHOOL CAPITAL OUTLAY PURPOSES.

The Enrolling Clerk reports the following bill duly ratified, properly enrolled, and presented to the Office of the Secretary of State.

H.B. 661, AN ACT TO ALLOW THE HENDERSON COUNTY BOARD OF COMMISSIONERS TO REDISTRICT THEIR RESIDENCY DISTRICTS.

CHAPTERED BILL

The Enrolling Clerk reports the following bill properly enrolled, assigned the following Chapter Number, and presented to the Office of the Secretary of State:

S.B. 1360, AN ACT TO REVISE THE UNION COUNTY BOARD OF EQUALIZATION AND REVIEW. (Became law upon ratification, October 7, 1998 - S.L. 1998-174.)

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.B. 1114

House of Representatives
October 7, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House fails to concur in the Senate Committee Substitute for HB 1114, A BILL TO BE ENTITLED AN ACT TO ASSESS A FEE OF FIFTY DOLLARS FOR WORTHLESS CHECKS COLLECTED THROUGH THE BAD CHECK COLLECTION PROGRAM, and requests conferees. The Speaker has appointed:

Representative Ellis, Chair;
Representative Capps, and
Representative Hensley

on the part of the House to confer with a like committee appointed by the Senate to the end that the differences arising may be adjusted.

Respectfully,
S/Denise Weeks
PRINCIPAL CLERK

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages and a special message received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 656 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODIFY THE HIGH-VOLTAGE LINE SAFETY ACT AND TO AMEND THE LAW ON PROJECT EXPEDITERS ON PUBLIC CONTRACTS, for concurrence in the House Committee Substitute bill, which is placed on the Calendar for Monday, October 12.

S.B. 801 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE NORTH CAROLINA PLANNED COMMUNITY ACT, for

concurrence in the House Committee Substitute bill No. 2, which is placed on the Calendar for Monday, October, 12.

S.B. 1287 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CLARIFY THE LAW REGARDING HEALTH CARE POWERS OF ATTORNEY AND ADVANCE INSTRUCTION FOR MENTAL HEALTH TREATMENT BASED ON RECOMMENDATIONS OF THE JOINT LEGISLATIVE HEALTH CARE OVERSIGHT COMMITTEE, for concurrence in the House Committee Substitute bill, which is placed on the Calendar for Monday, October 12.

CONFERENCE REPORT

H.B. 1371

Senator Dalton for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **H.B. 1371** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO INCREASE PURCHASING FLEXIBILITY FOR ALL PUBLIC SCHOOLS, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on House Bill 1371, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO INCREASE PURCHASING FLEXIBILITY FOR ALL PUBLIC SCHOOLS, Senate Education/Higher Education Committee Substitute Adopted 8/6/98, submit the following report:

The House and Senate agree to the following amendments to the Senate Committee Substitute, Education/Higher Education Committee Substitute Adopted 8/6/98, and the House concurs in the Senate Committee Substitute as amended:

on page 1, lines 20-22, by rewriting the lines to read:
"the authority to purchase ~~the same~~ supplies, equipment, and materials from noncertified sources ~~as are available under State term contracts~~, subject to the following conditions:"

and on page 2, by inserting between lines 2 and 3 the following:
"(1a) The items are the same or substantially similar in quality, service, and performance as items available under State term contracts;"

and on page 2, line 24, by inserting before the quotation marks the following:
"(e) The State Board shall adopt rules to exempt from this section supplies, equipment, and materials related to student transportation. The State Board shall adopt guidelines regarding the interpretation and implementation of this section.".

The conferees recommend that the Senate and the House of Representatives adopt this report.

October 8, 1998

Date conferees approved report: October 6, 1998.

S/Walter Dalton	S/James W. Crawford, Jr.
S/Leslie Winner	S/Douglas Y. Yongue
S/Howard Lee	S/Alex Warner
S/Robert A. Rucho	S/Jean Preston
	S/Gene Arnold
Conferees for the Senate	*Conferees for the House of Representatives*

The Conference Report is ordered placed on the Calendar for Monday, October 12, for adoption, upon second reading.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1336 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE GOVERNOR'S DWI TASK FORCE AND THE JOINT CORRECTIONS AND CRIME CONTROL OVERSIGHT COMMITTEE TO REVISE THE DWI FORFEITURE LAWS AND OTHER RELATED LAWS; TO PROVIDE FOR "ZERO-TOLERANCE" FOR COMMERCIAL DRIVERS, DRIVERS OF SCHOOL BUSES, SCHOOL ACTIVITY BUSES, AND CHILD CARE VEHICLES; AND TO PROVIDE FOR IMMEDIATE ADMINISTRATIVE LICENSE REVOCATIONS FOR ALL PERSONS UNDER TWENTY-ONE YEARS OF AGE; AND TO INCREASE THE FINES FOR DWI OFFENSES AND TO MAKE CONFORMING CHANGES, for concurrence in the House Committee Substitute bill No. 2, upon third reading.

Senator Odom offers a motion that the rules be suspended and that the House Committee Substitute bill No. 2 be taken up out of its regular order of business and brought before the Senate for immediate consideration.

S.B. 1199 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO INCREASE VARIOUS FEES, TO ESTABLISH A FEE FOR FAIRNESS HEARING CONDUCTED BY THE OFFICE OF THE SECRETARY OF STATE, TO INCREASE THE AUTOPSY FEE, TO REVISE AND PLACE INTO THE GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE WATER QUALITY PROGRAM, TO INCREASE THE PROCESS AND FACILITIES FEES IN THE GENERAL COURT OF JUSTICE, TO SET THE PUBLIC UTILITY REGULATORY FEE, AND TO SET THE INSURANCE REGULATORY CHARGE, for concurrence in the House Committee Substitute bill No.2, upon second reading.

With unanimous consent, on motion of Senator Kerr, the House Committee Substitute bill No. 2 is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, October 13, for concurrence.

The President rules that the House Committee Substitute bill No. 2 does not require a call of the roll.

H.B. 926 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS, upon second reading.

With unanimous consent, on motion of Senator Rand the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, October 13, upon second reading.

S.B. 1336 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE GOVERNOR'S DWI TASK FORCE AND THE JOINT CORRECTIONS AND CRIME CONTROL OVERSIGHT COMMITTEE TO REVISE THE DWI FORFEITURE LAWS AND OTHER RELATED LAWS; TO PROVIDE FOR "ZERO-TOLERANCE" FOR COMMERCIAL DRIVERS, DRIVERS OF SCHOOL BUSES, SCHOOL ACTIVITY BUSES, AND CHILD CARE VEHICLES; AND TO PROVIDE FOR IMMEDIATE ADMINISTRATIVE LICENSE REVOCATIONS FOR ALL PERSONS UNDER TWENTY-ONE YEARS OF AGE; AND TO INCREASE THE FINES FOR DWI OFFENSES AND TO MAKE CONFORMING CHANGES, for concurrence in the House Committee Substitute bill No. 2, upon third reading.

The Senate concurs in the House Committee Substitute bill No. 2 on its third reading by roll-call vote, ayes 37, noes 2, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Ballantine, Basnight, Carpenter, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Hartsell, Jordan, Kerr, Kinnaird, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, Wellons, and Winner—37.

Voting in the negative: Senators Garwood and Horton—2.

The House Committee Substitute bill No. 2 is ordered enrolled and sent to the Governor by special messenger.

REPORT OF COMMITTEE

A standing committee report is submitted out of the regular order of business, a bill is read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Albertson for the **Agriculture/Environment/Natural Resources Committee**:

H.B. 1480 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE REGISTRATION OF SWINE OPERATION INTEGRATORS BY SWINE GROWERS, TO EXTEND BY SIX MONTHS THE MORATORIA ON CONSTRUCTION OR EXPANSION OF SWINE FARMS AND ON LAGOONS AND ANIMAL WASTE MANAGEMENT SYSTEMS FOR SWINE FARMS, AND TO CLARIFY EXCEPTIONS TO THE STATEWIDE MORATORIUM, with a favorable report.

The Senate recesses at 10:20 A.M. to reconvene at 12:00 Noon.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 1336, AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE GOVERNOR'S DWI TASK FORCE AND THE JOINT CORRECTIONS AND CRIME CONTROL OVERSIGHT COMMITTEE TO REVISE THE DWI FORFEITURE LAWS AND OTHER RELATED LAWS; TO PROVIDE FOR "ZERO-TOLERANCE" FOR COMMERCIAL DRIVERS, DRIVERS OF SCHOOL BUSES, SCHOOL ACTIVITY BUSES, AND CHILD CARE VEHICLES; AND TO PROVIDE FOR IMMEDIATE ADMINISTRATIVE LICENSE REVOCATIONS FOR ALL PERSONS UNDER TWENTY-ONE YEARS OF AGE; AND TO INCREASE THE FINES FOR DWI OFFENSES AND TO MAKE CONFORMING CHANGES.

The Senate recesses at 12:15 P.M. to reconvene at 12:30 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Marc Basnight, President *Pro Tempore.*

With unanimous consent, the President Pro Tempore grants leaves of absence for the remainder of today's Session to Senator Carpenter, Senator Dalton, and Senator Page.

CALENDAR *(Continued)*

H.B. 1055 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE INVESTIGATION AND RESOLUTION OF CLAIMS RESULTING FROM DEFECTIVE SEED, upon second reading.

Senator Kerr offers Amendment No. 1 which is adopted (31-0).

With unanimous consent, on motion of Senator Kerr, the Senate Committee Substitute bill, as amended, is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, October 13, upon second reading.

WITHDRAWAL FROM CALENDAR

H.B. 1480 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE REGISTRATION OF SWINE OPERATION INTEGRATORS BY SWINE GROWERS, TO EXTEND BY SIX MONTHS THE MORATORIA ON CONSTRUCTION OR EXPANSION OF SWINE FARMS AND ON LAGOONS AND ANIMAL WASTE MANAGEMENT SYSTEMS FOR SWINE FARMS, AND TO CLARIFY EXCEPTIONS TO THE STATEWIDE MORATORIUM, placed on the Calendar for Monday, October 12.

Senator Rand offers a motion that the Committee Substitute bill be withdrawn from the Calendar for Monday, October 12. On his further motion, the rules are suspended and the Committee Substitute bill is placed before the Senate for immediate consideration, upon second reading.

Senator East announces a pair vote. If Senator Dalton were present he would vote

"aye"; Senator East votes "no".

The Committee Substitute bill passes its second (35-1) and third readings and is ordered enrolled and sent to the Governor.

On motion of Senator Ballance, seconded by Senator Odom, the Senate adjourns at 1:15 P.M. to meet Monday, October 12, at 7:00 P.M.

TWO HUNDRED THIRTEENTH DAY

Senate Chamber
Monday, October 12, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Honorable Jeanne Lucas, Senator from Durham County, as follows:

"Oh Gracious Father! Thank You for blessing us to see the beginning of another week and the day which we observe to commemorate the discovery of our Nation.

"We bow before You today knowing that You made us uniquely different, but You made each of us valuable in Your plan. Make us Your four-star leaders, who are excellent decision-makers.

"For there are those who are hungry; there are those who are disabled; there are those who are strangers in this land.

"We, Your four-star chosen leaders must provide. For You said, to the extent that we did it to one of these, even the least of these, we did it to You. Bless our decisions. Hear our prayer. Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator East, Senator Foxx, Senator Gulley, Senator Hartsell, Senator Jenkins, Senator Kinnaird, Senator Lee, Senator McDaniel, Senator Page, Senator Plyler, Senator Purcell, and Senator Webster.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of Thursday, October 8, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

H.B. 1480, AN ACT TO PROVIDE FOR THE REGISTRATION OF SWINE OPERATION INTEGRATORS BY SWINE GROWERS, TO EXTEND BY SIX MONTHS THE MORATORIA ON CONSTRUCTION OR EXPANSION OF SWINE FARMS AND ON LAGOONS AND ANIMAL WASTE MANAGEMENT SYSTEMS

FOR SWINE FARMS, AND TO CLARIFY EXCEPTIONS TO THE STATEWIDE MORATORIUM.

H.B. 1357, AN ACT TO PROVIDE FOR "BEST VALUE" INFORMATION TECHNOLOGY PROCUREMENTS.

S.B. 1138, AN ACT TO ALLOW MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE CREDIT FOR PROBATIONARY EMPLOYMENT WITH A LOCAL GOVERNMENT.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 661, AN ACT TO ALLOW THE HENDERSON COUNTY BOARD OF COMMISSIONERS TO REDISTRICT THEIR RESIDENCY DISTRICTS. (Became law upon ratification, October 8, 1998 - S.L. 1998-175.)

H.B. 534, AN ACT TO ALLOW THE TRANSFER OF PROPERTY AND INCOME WITHHOLDING TO ENFORCE SUPPORT ORDERS, AND THE AWARDING OF ALIMONY, AS RECOMMENDED BY THE FAMILY LAW SECTION OF THE NORTH CAROLINA BAR ASSOCIATION. (Became law upon approval of the Governor, October 8, 1998 - S.L. 1998 - 176.)

S.B. 427, AN ACT TO ALLOW OVERWEIGHT TRUCKS TRANSPORTING APPLES AND CHRISTMAS TREES TO OPERATE ON CERTAIN LIGHT-DUTY ROADS. (Became law upon approval of the Governor, October 8, 1998 - S.L. 1998 - 177.)

S.B. 1228, AN ACT TO ENHANCE THE CRIMINAL PROVISIONS FOR TAX VIOLATIONS. (Became law upon approval of the Governor, October 8, 1998 - S.L. 1998 - 178.)

H.B. 1490, AN ACT TO EXTEND THE TIME FOR THE RESOLUTION OF CLAIMS TO LAND UNDER NAVIGABLE WATERS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION. (Became law upon approval of the Governor, October 8, 1998 - S.L. 1998 - 179.)

S.B. 1135, AN ACT TO IMPLEMENT A RECOMMENDATION OF THE JOINT LEGISLATIVE UTILITY REVIEW COMMITTEE TO ALLOW SHARED TENANT PROVIDERS TO OBTAIN LINE ACCESS FROM ANY CERTIFICATED LOCAL PROVIDER OF TELEPHONE SERVICE AND TO ALLOW FLAT RATE ACCESS LINES TO PREMISES PROVIDING ACCOMMODATIONS TO TRANSIENT PATRONS. (Became law upon approval of the Governor, October 8, 1998 - S.L. 1998-180.)

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of

Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 333 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE LAW GOVERNING THE PROCEDURE FOR ENTRY OF ORDERS IN THE COMMODITIES ACT, for concurrence in House Amendment No. 1, which is placed on the Calendar for Tuesday, October 13.

S.B. 1241 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, TO EXTEND THE SUNSET ON THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT, TO AMEND THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT TO PROVIDE AN INCENTIVE FOR INVESTMENT IN SMALL FILM PRODUCTION BUSINESSES, TO DIRECT THE REVENUE LAWS STUDY COMMITTEE TO STUDY WHETHER A TAXPAYER WHO PREVAILS IN AN ADMINISTRATIVE APPEAL OR A LAWSUIT SHOULD RECEIVE REIMBURSEMENT OF EXPENSES IN CERTAIN CIRCUMSTANCES, TO INCREASE THE PROPERTY TAX HOMESTEAD EXEMPTION AMOUNT AND INCOME ELIGIBILITY AMOUNT AND REIMBURSE LOCAL GOVERNMENTS FOR THE RESULTING REVENUE LOSS, TO TEMPORARILY REINSTATE A PROPERTY TAX EXEMPTION FOR CERTAIN NONPROFIT RETIREMENT FACILITIES, AND TO DIRECT THE LEGISLATIVE RESEARCH COMMISSION TO STUDY PROPERTY TAX EXEMPTIONS FOR NONPROFIT ENTITIES, for concurrence in the House Committee Substitute bill, which is placed on the Calendar for Tuesday, October 13.

CALENDAR

Bills on tonight's Calendar are taken up and disposed of, as follows:

S.B. 801 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE NORTH CAROLINA PLANNED COMMUNITY ACT, for concurrence in House Committee Substitute bill No. 2, upon second reading.

With unanimous consent, on motion of Senator Wellons, the House Committee Substitute bill No. 2 is withdrawn from tonight's Calendar and is placed on the Calendar for Tuesday, October 13.

S.B. 656 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODIFY THE HIGH-VOLTAGE LINE SAFETY ACT AND TO AMEND THE LAW ON PROJECT EXPEDITERS ON PUBLIC CONTRACTS, for concurrence in the House Committee Substitute bill.

With unanimous consent, on motion of Senator Rand, the House Committee Substitute bill No. 2 is withdrawn from tonight's Calendar and is placed on the Calendar for Wednesday, October 14.

S.B. 1287 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO CLARIFY THE LAW REGARDING HEALTH CARE POWERS OF ATTORNEY AND ADVANCE INSTRUCTION FOR MENTAL HEALTH TREATMENT BASED ON

RECOMMENDATIONS OF THE JOINT LEGISLATIVE HEALTH CARE OVERSIGHT COMMITTEE, for concurrence in the House Committee Substitute bill.

The Senate concurs in the House Committee Substitute bill (27-0) and the measure is ordered enrolled and sent to the Governor.

H.B. 1371 (Conference Report), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO INCREASE PURCHASING FLEXIBILITY FOR ALL PUBLIC SCHOOLS, for adoption.

With unanimous consent, on motion of Senator Dalton, the Conference Report is withdrawn from tonight's Calendar and is placed on the Calendar for Tuesday, October 13.

On motion of Senator Ballance, seconded by Senator Hoyle, the Senate adjourns at 7:10 P.M. to meet tomorrow, Tuesday, October 13, at 3:00 P.M.

TWO HUNDRED FOURTEENTH DAY

Senate Chamber
Tuesday, October 13, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Marc Basnight, President *Pro Tempore*, who presides in the absence of the Lieutenant Governor.

Prayer is offered by the Honorable Howard N. Lee, Senator from Orange County, as follows:

"There was once a concerned Christian who wrote a letter to God which in part read: 'Dear God, if You are a merciful God, why do You allow so much suffering in our world? Why do You allow people to live in such object poverty? Why do You allow people to turn against each other because of differences in skin color, in gender? Why do You allow some people to hoard wealth and not share it with others? God, if You know of all of these problems and You see them existing, why don't You do something?' The response from God was, 'I did do something, I sent you.'

"On this day, as we continue our work in this Legislature, as we continue to grind toward what we hope soon will be a conclusion of our work, we ask God that You remind us of our duties. Help us do Your Will. More importantly, help us get the job done, because You've sent us. Amen."

With unanimous consent, the President *Pro Tempore* grants a leave of absence for today to Senator Rand.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Monday, October 12, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

REPORTS OF COMMITTEES

A bill is reported from a standing committee, read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Cooper for the **Judiciary Committee**:

H.B. 1720 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE GENERAL STATUTES PERTAINING TO CUSTODY OF ABUSED AND NEGLECTED JUVENILES AND JUVENILES PLACED FOR ADOPTION IN CONFORMANCE WITH FEDERAL ADOPTION AND SAFE FAMILIES ACT REQUIREMENTS, AND TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY CHANGES TO THE JUVENILE JUSTICE SYSTEM PERTAINING TO CHILD ABUSE, NEGLECT, AND DEPENDENCY, with an unfavorable report as to Committee Substitute bill No. 2, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 4220 is adopted and engrossed.

On motion of Senator Cooper, the Senate Committee Substitute bill is re-referred to the **Finance Committee**.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1629 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO REMOVE AN AREA FROM THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, TO ANNEX AN AREA AS DESCRIBED INTO THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, AND GIVE ADDITIONAL AUTHORITY TO THAT CITY TO MAKE VOLUNTARY SATELLITE ANNEXATIONS, upon second reading.

With unanimous consent, on motion of Senator Hoyle, the Committee Substitute bill No. 2 is withdrawn from today's Calendar and is placed on the Calendar for Thursday, October 15, upon second reading.

S.B. 1241 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MAKE THE REVENUE ACT PENALTIES UNIFORM, TO DELETE OBSOLETE AND INEFFECTIVE PENALTIES, TO GIVE NONPROFIT ENTITIES THREE YEARS TO FILE APPLICATIONS FOR REFUND OF TAXES PAID, TO EXTEND THE SUNSET ON THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT, TO AMEND THE QUALIFIED BUSINESS INVESTMENT TAX CREDIT TO PROVIDE AN INCENTIVE FOR INVESTMENT IN SMALL FILM PRODUCTION BUSINESSES, TO DIRECT THE REVENUE LAWS STUDY COMMITTEE TO STUDY WHETHER A TAXPAYER WHO PREVAILS IN AN ADMINISTRATIVE APPEAL OR A LAWSUIT SHOULD RECEIVE REIMBURSEMENT OF EXPENSES IN CERTAIN CIRCUMSTANCES, TO INCREASE THE PROPERTY TAX HOMESTEAD EXEMPTION AMOUNT AND INCOME ELIGIBILITY AMOUNT AND REIMBURSE LOCAL GOVERNMENTS FOR THE RESULTING REVENUE LOSS, TO TEMPORARILY REINSTATE A PROPERTY TAX EXEMPTION FOR CERTAIN NONPROFIT RETIREMENT FACILITIES, AND TO DIRECT THE

LEGISLATIVE RESEARCH COMMISSION TO STUDY PROPERTY TAX EXEMPTIONS FOR NONPROFIT ENTITIES, for concurrence in the House Committee Substitute bill, upon second reading.

With unanimous consent, on motion of Senator Hoyle, the House Committee Substitute bill is withdrawn from today's Calendar and re-referred to the **Finance Committee**.

H.B. 1055 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE INVESTIGATION AND RESOLUTION OF CLAIMS RESULTING FROM DEFECTIVE SEED, upon second reading.

With unanimous consent, on motion of Senator Kerr, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, October 14, upon second reading.

S.B. 1199 (House Committee Substitute No.2), A BILL TO BE ENTITLED AN ACT TO INCREASE VARIOUS FEES, TO ESTABLISH A FEE FOR FAIRNESS HEARING CONDUCTED BY THE OFFICE OF THE SECRETARY OF STATE, TO INCREASE THE AUTOPSY FEE, TO REVISE AND PLACE INTO THE GENERAL STATUTES THE SCHEDULE OF FEES FOR PERMITS UNDER THE WATER QUALITY PROGRAM, TO INCREASE THE PROCESS AND FACILITIES FEES IN THE GENERAL COURT OF JUSTICE, TO SET THE PUBLIC UTILITY REGULATORY FEE, AND TO SET THE INSURANCE REGULATORY CHARGE, for concurrence in House Committee Substitute bill No. 2.

With unanimous consent, on motion of Senator Kerr, House Committee Substitute bill No. 2 is withdrawn from today's Calendar and re-referred to the **Finance Committee**.

H.B. 926 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS, upon second reading.

With unanimous consent, on motion of Senator Jenkins, the Senate Committee Substitute bill is withdrawn from today's Calendar and is placed on the Calendar for Wednesday, October 14, upon second reading.

S.B. 801 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE NORTH CAROLINA PLANNED COMMUNITY ACT, for concurrence in House Committee Substitute bill No. 2, upon second reading.

The Senate concurs in House Committee Substitute bill No. 2 on its second reading by roll-call vote, ayes 45, noes 2, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cooper, Dalton, Dannelly, East, Foxx, Garwood, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—45.

Voting in the negative: Senators Cochrane and Forrester—2.

The House Committee Substitute bill No. 2 remains on the Calendar for tomorrow, Wednesday, October 14, upon third reading.

S.B. 333 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE LAW GOVERNING THE PROCEDURE FOR ENTRY OF ORDERS IN THE

COMMODITIES ACT, for concurrence in House Amendment No. 1.

The Senate concurs in House Amendment No. 1 (46-0) and the measure is ordered enrolled and sent to the Governor.

H.B. 1371 (Conference Report), A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO INCREASE PURCHASING FLEXIBILITY FOR ALL PUBLIC SCHOOLS, for adoption.

On motion of Senator Dalton, the Senate adopts the Conference Report (46-1).

The Chair orders a message sent to the House of Representatives informing that Honorable Body of such action.

APPOINTMENT OF CONFERENCE COMMITTEE

H.B. 1114 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PROVIDING THAT CERTAIN LOCAL GOVERNMENTS MAINTAIN THE SWIFT CREEK MANAGEMENT PLAN AS AGREED TO BY THOSE JURISDICTIONS.

Pursuant to the message received from the House of Representatives on October 8 that the House fails to concur in the Senate Committee Substitute for H.B. 1114 and requests conferees, Senator Reeves offers a motion that the Senate appoint conferees, which motion prevails.

Senator Ballance, Deputy President *Pro Tempore*, announces the appointments made by the President *Pro Tempore* of Senator Miller, Chairman, and Senator Carrington and Senator Reeves as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

On motion of Senator Ballance, seconded by Senator Phillips, the Senate adjourns at 3:26 P.M. to meet tomorrow, Wednesday, October 14, at 2:00 P.M.

TWO HUNDRED FIFTEENTH DAY

Senate Chamber
Wednesday, October 14, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by Ms. Eliza Ragsdale, Aspirant for Holy Orders, St. Paul's Episcopal Church, Smithfield, North Carolina, as follows:

"God, we sit here before You as the elected chosen and the powerful. We convey a sense of security and comfort in our positions of governmental service. Outwardly we appear to be different from one another. But we are not. In our inner-core, we are all Your children whether we are Jew or Christian, male or female, black or white. Many of us here today have problems in our private lives that are too deep to bear alone and scars that we are desperately trying to ignore and hide from our life partners, our colleagues, and constituents. All of which we know is of Your knowledge God, and all of which we

ask to be released and healed through Your Grace. Help us to take all of our weary baggage of life and all the conflict from this Session and lay it at Your feet. Deliver us, in this occupation of Senator, from the service of self alone, that all may chose the work You have given us to do in truth and beauty and for the common good. Lord God of our Fathers, God of Abraham, Isaac and Jacob, God and Father of our Lord Christ Jesus, open our eyes to see Your hand at work in the world around us. Deliver us from the presumption of coming to serve, in this Senate, for solace only, and not for strength. Let the grace of Your Heavenly Kingdom make this Senate one Body, one spirit in Your unending love and infinite forgiveness. Protect those who have been chosen that they may worthily serve the world and the people of North Carolina in Your Holy Name. Give us the freedom to release all negativity and cease to be divided by race, gender, and political party, as these issues of division make us small and petty, all of which is not of You, God. Replace the false sense of self-importance with the omnipotent power of Your Counsel as we deliberate the issues before us. Give each of us the ability to pray, the ability to listen, and the gift of hearing what is being said and asked of each before You. Give us the courage to speak for those who are suffering and for those who have no voice and are forgotten. Let this Senate have the courage to release the politically correct, safe decisions, and to follow what You God have placed in their hearts. Give them quiet, to be able to hear Your voice. In these hallowed halls, where so much has been done to affect so many, help them to remember that they are here as servants of the people, and not by accident, but for greater purposes that are not to be self-serving. God, we give You thanks for insights that find us when solutions are difficult, for hope that surrounds us when our spirits lag, and for wisdom of generations past and for generations yet to be born. Open our eyes and hearts to see the inner souls of the great people of North Carolina, of our colleagues, and the world around us. No matter where we travel in North Carolina, to the sandy shores of our invigorating and glistening coast or to the crystal and renewing mountain peaks, to our mighty cities, to our smallest farms, help us to remember that You are there God. There is no place that we walk where You are not; there is no hand we shake where You are not; and there are no eyes we look into as we make our campaign promises where You are not. You are here today God, and we give thanks for Your presence. Before we cast our vote, let us first ask for Your voice, counsel and wisdom God, and ask if our vote is of You. Be our guide. Keep each gathered here today brave, honest and on track. There is no issue and no problem before this united Body of the North Carolina Senate that Your grace cannot heal and solve for the betterment of all concerned. Deliver us from ourselves into our service to You first. And now, may God bless you with a loving sense of His presence, guide, protect, and comfort you that ye may know what it is to walk close with God all your days long. May God deliver you in all your troubles and deliberations and establish your minds in the tranquillity of His peace; and may God so guide you through things temporal, that ye finally lose not the things eternal. Now unto Him who is able to keep you from falling, go forth into the halls of the Senate in peace; be of good courage for the people you represent; fight the good fight of faith as an example to the world; that ye may finish your course with exceeding joy. To the only wise God, be all glory and honor, dominion and power, both now and forever more. Go out in peace and joy, to love and serve your people and your God. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Moore, Senator Webster, and Senator Weinstein.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Tuesday, October 13, has been examined and is found to be correct. On his motion, the

Senate dispenses with the reading of the Journal and it stands approved as written.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 1287, AN ACT TO CLARIFY THE LAW REGARDING HEALTH CARE POWERS OF ATTORNEY AND ADVANCE INSTRUCTION FOR MENTAL HEALTH TREATMENT BASED ON RECOMMENDATIONS OF THE JOINT LEGISLATIVE HEALTH CARE OVERSIGHT COMMITTEE.

H.B. 1126, AN ACT TO EXEMPT LOCAL PAY PHONE SERVICES FROM SALES TAX.

S.B. 333, AN ACT TO AMEND THE LAW GOVERNING THE PROCEDURE FOR ENTRY OF ORDERS IN THE COMMODITIES ACT.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1055 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE INVESTIGATION AND RESOLUTION OF CLAIMS RESULTING FROM DEFECTIVE SEED, as amended, upon second reading.

Senator Horton offers Amendment No. 2 which fails of adoption (17-30).

The President relinquishes the gavel to Senator Basnight, President Pro Tempore, who presides in the absence of the Lieutenant Governor.

The President *Pro Tempore* rules that the Senate Committee Substitute bill, as amended, does not require a call of the roll.

The Senate Committee Substitute bill, as amended, passes its second (47-0) and third readings and is ordered engrossed and sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

H.B. 926 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS, upon second reading.

Senator Jenkins offers Amendment No. 1 which is adopted (47-0).

Senator Rand offers Amendment No. 2 which is adopted (46-0).

Senator McDaniel offers Amendment No. 3 which is adopted (46-1).

The Senate Committee Substitute bill, as amended, passes its second reading (47-0).

Senator Jenkins objects to third reading of the measure. Pursuant to Rule 50, the President *Pro Tempore* orders the measure placed on the Calendar for tomorrow, Thursday, October 15, upon third reading.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.B. 1371 House of Representatives

October 14, 1998

October 14, 1998

Mr. President:

Pursuant to your message that you have adopted the report of the conferees for HB 1371, A BILL TO BE ENTITLED AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO INCREASE PURCHASING FLEXIBILITY FOR ALL PUBLIC SCHOOLS, it is ordered that a message be sent your Honorable Body with the information that the House has adopted the report of the Conferees and the bill is ordered enrolled.

Respectfully,
S/Denise Weeks
PRINCIPAL CLERK

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 1202

House of Representatives
October 14, 1998

Mr. President:

Pursuant to your message that you have adopted the report of the conferees on House Committee Substitute for SB 1202, A BILL TO BE ENTITLED AN ACT TO AUTHORIZE COUNTY CONVEYANCE OF SURPLUS AUTOMOBILES TO A NOT-FOR-PROFIT RECIPIENT FOR SUBSEQUENT CONVEYANCE TO WORK FIRST PARTICIPANTS, it is ordered that a message be sent your Honorable Body with the information that the House has adopted the report of the Conferees, and you may order the bill enrolled.

Respectfully,
S/Denise Weeks
PRINCIPAL CLERK

Pursuant to the Senate having adopted the Conference Report on October 7, the Chair orders the bill enrolled and sent to the Governor.

CALENDAR *(Continued)*

S.B. 801 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE NORTH CAROLINA PLANNED COMMUNITY ACT, for concurrence in House Committee Substitute bill No. 2, upon third reading.

The Senate concurs in House Committee Substitute bill No. 2 on its third reading by roll-call vote, ayes 47, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester,

Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Wellons, and Winner—47.

Voting in the negative: None.

The House Committee Substitute bill No. 2 is ordered enrolled and sent to the Governor.

S.B. 656 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODIFY THE HIGH-VOLTAGE LINE SAFETY ACT AND TO AMEND THE LAW ON PROJECT EXPEDITERS ON PUBLIC CONTRACTS, for concurrence in the House Committee Substitute bill.

The Senate concurs in the House Committee Substitute bill (47-0) and the measure is ordered enrolled and sent to the Governor.

On motion of Senator Ballance, seconded by Senator Jordan, the Senate adjourns at 3:11 P.M. in honor of the Cape Hatteras Lighthouse, to meet tomorrow, Thursday, October 15, at 10:00 A.M.

TWO HUNDRED SIXTEENTH DAY

Senate Chamber
Thursday, October 15, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, Jeremiah was called the weeping Prophet. That wasn't a disparaging term. Jeremiah wept because he was so concerned about the people to whom he ministered.

"His story is a worthy reminder to those of us who are also called to help others. When our daily schedule is so full of the administrative matters that facilitate helping, remind us to stop, see one face of a person we are called to help, even hear that person's story in our mind eyes and ears.

"Oh, we may not weep as Jeremiah did at the remembrance, but we will be given perspective, energy, and a right spirit to renew our work for the people to whom we have been called to serve. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Carrington, Senator Clark, Senator East, Senator Garwood, Senator Moore, Senator Soles, and Senator Weinstein.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Wednesday, October 14, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1629 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO REMOVE AN AREA FROM THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, TO ANNEX AN AREA AS DESCRIBED INTO THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, AND GIVE ADDITIONAL AUTHORITY TO THAT CITY TO MAKE VOLUNTARY SATELLITE ANNEXATIONS, upon second reading.

With unanimous consent, on motion of Senator Hoyle, the Committee Substitute bill No. 2 is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, October 20, upon second reading.

COMMITTEE REFERRAL RECALL

S.B. 1312 (House Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO ALLOW CERTAIN COUNTIES TO ACQUIRE PROPERTY FOR USE BY THEIR COUNTY BOARDS OF EDUCATION, referred to the **Education/Higher Education Committee** on September 18.

Pursuant to Rule 47(a), Senator Winner offers a motion that House Committee Substitute bill No. 3 be withdrawn from the **Education/Higher Education Committee** and placed on the Calendar for Tuesday, October 20, which motion prevails with unanimous consent.

The Chair orders House Committee Substitute bill No. 3 withdrawn from the **Education/Higher Education Committee** and places it on the Calendar for Tuesday, October 20.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.B. 1248

House of Representatives
October 14, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the conferees on Senate Committee Substitute # 2 for HB 1248, A BILL TO BE ENTITLED AN ACT TO PROTECT NORTH CAROLINA CITIZENS FROM LOSSES DUE TO FEDERAL TOBACCO LEGISLATION OR TOBACCO LITIGATION AND TO PROVIDE THAT FUNDS RECEIVED DUE TO TOBACCO SETTLEMENTS AND RELATED CONGRESSIONAL LEGISLATION SHALL BE SPENT PURSUANT TO APPROPRIATION BY THE GENERAL ASSEMBLY, have been dismissed.

Respectfully,
S/Denise Weeks
Principal Clerk

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

H.B. 1248, AN ACT TO PROTECT NORTH CAROLINA CITIZENS FROM LOSSES DUE TO FEDERAL TOBACCO LEGISLATION OR TOBACCO LITIGATION AND TO PROVIDE THAT FUNDS RECEIVED DUE TO TOBACCO SETTLEMENTS AND RELATED CONGRESSIONAL LEGISLATION SHALL BE SPENT PURSUANT TO APPROPRIATION BY THE GENERAL ASSEMBLY.

H.B. 1371, AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO INCREASE PURCHASING FLEXIBILITY FOR ALL PUBLIC SCHOOLS.

S.B. 1202, AN ACT TO AUTHORIZE COUNTY CONVEYANCE OF SURPLUS AUTOMOBILES TO A NOT-FOR-PROFIT RECIPIENT FOR SUBSEQUENT CONVEYANCE TO WORK FIRST PARTICIPANTS.

S.B. 656, AN ACT TO MODIFY THE HIGH-VOLTAGE LINE SAFETY ACT AND TO AMEND THE LAW ON PROJECT EXPEDITERS ON PUBLIC CONTRACTS.

S.B. 801, AN ACT TO ESTABLISH THE NORTH CAROLINA PLANNED COMMUNITY ACT.

CHAPTERED BILL

The Enrolling Clerk reports the following bill properly enrolled, assigned the following Chapter Number, and presented to the Office of the Secretary of State:

H.B. 1469, AN ACT REORGANIZING THE STATE PERSONNEL COMMISSION AND AUTHORIZING THE CHAIR OF THE STATE PERSONNEL COMMISSION TO APPOINT PANELS OF ITS MEMBERS TO MAKE RECOMMENDATIONS TO THE FULL COMMISSION REGARDING THE FINAL DECISION IN CONTESTED CASES AND TO MAKE CHANGES TO THE EMPLOYEE INCENTIVE BONUS PROGRAM. (Became law upon approval of the Governor, October 13, 1998 - S.L. 1998-181.)

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 1274 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE LAW REGARDING THE CONTROL OF CHILDHOOD LEAD EXPOSURE, for concurrence in House Committee Substitute No. 2, which is placed on the Calendar for Monday, October 19.

S.B. 1554 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE EXCISE TAX ON CONTROLLED SUBSTANCES, for concurrence

in House Committee Substitute No. 2, which is placed on the Calendar for Monday, October 19.

CONFERENCE REPORTS

H. B. 1114

Senator Miller for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **H.B. 1114** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PROVIDING THAT CERTAIN LOCAL GOVERNMENTS MAINTAIN THE SWIFT CREEK MANAGEMENT PLAN AS AGREED TO BY THOSE JURISDICTIONS, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the House of Representatives and the Senate on House Bill 1114, A BILL TO BE ENTITLED AN ACT PROVIDING THAT CERTAIN LOCAL GOVERNMENTS MAINTAIN THE SWIFT CREEK MANAGEMENT PLAN AS AGREED TO BY THOSE JURISDICTIONS, Senate Committee Substitute, Fifth Edition Engrossed 9/9/98, submit the following report:

The Senate and the House of Representatives agree to the following amendment to the Senate Committee Substitute, Fifth Edition Engrossed 9/9/98, and the Senate concurs in the Senate Committee Substitute, Fifth Edition Engrossed 9/9/98, with the following amendment:

on page 2, lines 36-37, by deleting the phrase "a date, no later than December 31, 1999, set by the Wake County Board of Elections." and substituting the phrase "November 7, 2000."

The conferees recommend that the House of Representatives and the Senate adopt this report.

Date conferees approved report: October 14, 1998.

S/Brad Miller	S/J. Sam Ellis
S/John H. Carrington	S/J. Russell Capps
S/Eric M. Reeves	S/R. J. Hensley, Jr.
Conferees for the Senate	*Conferees for the House of Representatives*

The Conference Report is ordered placed on the Calendar for Monday, October 19, for adoption.

H. B. 581

Senator Miller for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **H.B. 581** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE A CIVIL ACTION REMEDY FOR PERSONS WHO ARE SEXUALLY EXPLOITED BY THEIR PSYCHOTHERAPIST, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on House Bill 581, A BILL TO BE ENTITLED AN ACT TO PROVIDE A CIVIL ACTION REMEDY FOR PERSONS WHO ARE SEXUALLY EXPLOITED BY THEIR PSYCHOTHERAPIST, Fourth Edition Engrossed 8/18/98, submit the following report:

The House concurs in the Fourth Edition Engrossed, and the House and Senate agree to the following amendments:

on page 2, lines 9-14, by rewriting the lines to read:

"(4) Sexual exploitation.- - Either of the following, whether or not it occurred with the consent of a client or during any treatment, consultation, evaluation, interview, or examination:

a. Sexual contact which includes any of the following actions:

1. Sexual intercourse, cunnilingus, fellatio, anal intercourse, or any intrusion, however slight, into the oral, genital, or anal openings of the client's body by any part of the psychotherapist's body or by any object used by the psychotherapist for the purpose of sexual stimulation or gratification of either the psychotherapist or the client; or any intrusion, however slight, into the oral, genital, or anal openings of the psychotherapist's body by any part of the client's body or by any object used by the client for the purpose of sexual stimulation or gratification of either the psychotherapist or the client, if agreed to, or not resisted by the psychotherapist.

2. Kissing of, or the intentional touching by the psychotherapist of, the client's lips, genital area, groin, inner thigh, buttocks, or breast, or of the clothing covering any of these body parts, for the purpose of sexual stimulation or gratification of either the psychotherapist or the client, or kissing of, or the intentional touching by the client of, the psychotherapist's lips, genital area, groin, inner thigh, buttocks, or breast, or of the clothing covering any of these body parts, if agreed to or not resisted by the psychotherapist, for the purpose of sexual stimulation or gratification to either the psychotherapist or the client.";

and on page 3, lines 37-38, by rewriting the lines to read:

"An action for sexual exploitation must be commenced within three years after the cause of action accrues. A cause of action for sexual exploitation accrues at the later of either:

(1) The last act of the psychotherapist giving rise to the cause of action.

(2) At the time the client discovers or reasonably should discover that the sexual exploitation occurred; however, no cause of action shall be commenced more than 10 years from the last act of the psychotherapist giving rise to the cause of action.";

and on page 4, line 1,
by deleting "October 1, 1998," and substituting "January 1, 1999,".

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: October 1, 1998.

S/Brad Miller	S/C. B. Neely
S/Patrick J. Ballantine	S/Joanne W. Bowie
S/R. C. Soles, Jr.	S/William E. McMahan
	S/Joe Hackney
Conferees for the Senate	*Conferees for the House of Representatives*

The Conference Report is ordered placed on the Calendar for Monday, October 19, for adoption.

REPORTS OF COMMITTEES

Standing committee reports are submitted out of the regular order of business, bills are read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Jenkins for the **Pensions & Retirement and Insurance Committee**:

H.B. 1362, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT TRANSFERRED SERVICE CREDITS MAY BE INCLUDED IN DETERMINING WHETHER A MEMBER OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM OR THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM MAY PURCHASE MILITARY SERVICE, with a favorable report.

CALENDAR *(Continued)*

H.B. 926 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS, as amended, upon third reading.

With unanimous consent, on motion of Senator Jenkins, the Senate Committee Substitute bill, as amended, is withdrawn from today's Calendar and is placed on the Calendar for Tuesday, October 20, upon third reading.

REPORTS OF COMMITTEES *(Continued)*

By Senator Hoyle for the **Finance Committee**:

H.B. 74 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE A REFUNDABLE INDIVIDUAL INCOME TAX CREDIT FOR PREMIUMS PAID ON LONG-TERM CARE INSURANCE, with an unfavorable report as to Committee Substitute bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill X1623, which changes the title, upon concurrence, to read, **H. B. 74** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE AN INDIVIDUAL INCOME TAX CREDIT FOR PREMIUMS PAID ON LONG-TERM CARE INSURANCE, is adopted and engrossed.

On motion of Senator Hoyle, the Senate Committee Substitute bill is re-referred to the **Appropriations Committee**.

COMMITTEE REFERRAL RECALL

H.B. 74 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE AN INDIVIDUAL INCOME TAX CREDIT FOR PREMIUMS PAID ON LONG-TERM CARE INSURANCE, referred to the **Appropriations Committee** earlier today.

Pursuant to Rule 47(a), Senator Plyler offers a motion that the Senate Committee Substitute bill be withdrawn from the **Appropriations Committee** and re-referred to the **Rules and Operations of the Senate Committee,** which motion prevails with unanimous consent.

The Chair orders the Senate Committee Substitute bill withdrawn from the **Appropriations Committee** and refers the measure to the **Rules and Operations of the Senate Committee**.

WITHDRAWAL FROM CALENDAR

H.B. 1114 (Conference Report), A BILL TO BE ENTITLED AN ACT PROVIDING THAT CERTAIN LOCAL GOVERNMENTS MAINTAIN THE SWIFT CREEK MANAGEMENT PLAN AS AGREED TO BY THOSE JURISDICTIONS, placed on the Calendar earlier today for Monday, October 19.

Senator Reeves offers a motion that the Conference Report be withdrawn from the Calendar for Monday, October 19, and placed before the Senate for immediate consideration, which motion prevails, with unanimous consent.

The Chair orders the Conference Report withdrawn from the Calendar for Monday, October 19, and places it before the Senate for immediate consideration, upon adoption.

On motion of Senator Miller, the Senate adopts the Conference Report (40-0).

The Chair orders a message sent to the House of Representatives informing that Honorable Body of such action.

On motion of Senator Basnight, seconded by Senator Cochrane, the Senate adjourns at 10:31 A.M. to meet Monday, October 19, at 7:00 P.M.

TWO HUNDRED SEVENTEENTH DAY

Senate Chamber
Monday, October 19, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Marc Basnight, President *Pro Tempore*, who presides in the absence of the Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Our Father in Heaven, help us to feel a kinship with the writer who said, 'In the faces of men and women it is possible to see You, Oh God.'

"Remind us that as the people of God we are all brothers and sisters. As such, help us to respect the opinions, ideas and personhood of each other, even though we may differ greatly in our opinions and ideas.

"With the right attitude, of loving our neighbor as ourself, we will succeed this week where we have failed in the past.

"You are the Divine Creator, Oh God, and we are Your workers, all of us. Let us act accordingly. Amen."

With unanimous consent, the President *Pro Tempore* grants leaves of absence for tonight to Senator Dalton, Senator Hartsell, Senator Hoyle, Senator Jenkins, Senator Kinnaird, Senator Rand, Senator Rucho, and Senator Warren.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of Thursday, October 15, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

S.B. 1336, AN ACT TO IMPLEMENT THE RECOMMENDATIONS OF THE GOVERNOR'S DWI TASK FORCE AND THE JOINT CORRECTIONS AND CRIME CONTROL OVERSIGHT COMMITTEE TO REVISE THE DWI FORFEITURE LAWS AND OTHER RELATED LAWS; TO PROVIDE FOR "ZERO-TOLERANCE" FOR COMMERCIAL DRIVERS, DRIVERS OF SCHOOL BUSES, SCHOOL ACTIVITY BUSES, AND CHILD CARE VEHICLES; AND TO PROVIDE FOR IMMEDIATE ADMINISTRATIVE LICENSE REVOCATIONS FOR ALL PERSONS UNDER TWENTY-ONE YEARS OF AGE; AND TO INCREASE THE FINES FOR DWI OFFENSES AND TO MAKE CONFORMING CHANGES. (Became law upon approval of the Governor, October 14, 1998 - S.L. 1998-182.)

H.B. 20, AN ACT TO INCREASE TO SEVEN PERCENT THE INCOME TAX CREDIT FOR CHARITABLE CONTRIBUTIONS BY NONITEMIZERS. (Became law upon approval of the Governor, October 15, 1998 - S.L. 1998-183.)

S.B. 1291, AN ACT TO AUTHORIZE THE DEPARTMENT OF

TRANSPORTATION, REGIONAL PUBLIC TRANSPORTATION AUTHORITIES, AND REGIONAL TRANSPORTATION AUTHORITIES TO CREATE TRANSPORTATION CORRIDORS AND PROTECT THEM FROM DEVELOPMENT, AND TO INSURE PROPER NOTICE TO ALL PROPERTY OWNERS AFFECTED BY THE CORRIDORS. (Became law upon approval of the Governor, October 16, 1998 - S.L. 1998-184.)

S.B. 1280, AN ACT TO PROVIDE AN ALTERNATIVE PROCUREMENT BY COMPETITIVE PROPOSAL PROCEDURE FOR THE PURCHASE OF APPARATUS, SUPPLIES, MATERIALS, OR EQUIPMENT BY A REGIONAL PUBLIC TRANSPORTATION AUTHORITY OR A REGIONAL TRANSPORTATION AUTHORITY. (Became law upon approval of the Governor, October 16, 1998 - S.L. 1998-185.)

S.B. 1150, AN ACT TO DELAY THE SUNSET OF THE REQUIREMENT THAT COUNTIES USE PART OF THE TWO HALF-CENT LOCAL SALES TAX PROCEEDS ONLY FOR PUBLIC SCHOOL CAPITAL OUTLAY PURPOSES. (Became law upon approval of the Governor, October 16, 1998 - S.L. 1998-186.)

S.B. 350, AN ACT TO AMEND THE LAWS GOVERNING EMPLOYEE INSURANCE COMMITTEES TO ALLOW FOR A CENTRAL EMPLOYEE INSURANCE COMMITTEE IN THE DEPARTMENT OF HUMAN RESOURCES. (Became law upon approval of the Governor, October 16, 1998 - S.L. 1998-187.)

H.B. 1480, AN ACT TO PROVIDE FOR THE REGISTRATION OF SWINE OPERATION INTEGRATORS BY SWINE GROWERS, TO EXTEND BY SIX MONTHS THE MORATORIA ON CONSTRUCTION OR EXPANSION OF SWINE FARMS AND ON LAGOONS AND ANIMAL WASTE MANAGEMENT SYSTEMS FOR SWINE FARMS, AND TO CLARIFY EXCEPTIONS TO THE STATEWIDE MORATORIUM. (Became law upon approval of the Governor, October 16, 1998 - S.L. 1998-188.)

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

Messages and special messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills are presented to the Senate, read the first time, and disposed of, as follows:

S.B. 666 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT CONCERNING SATELLITE ANNEXATIONS BY THE CITY OF RALEIGH, PROVIDING THAT THE CITY OF RALEIGH MAY BY RESOLUTION DEEM THE CREATION OF A SELF-FUNDED RISK PROGRAM AS THE PURCHASE OF INSURANCE FOR THE PURPOSE OF WAIVING GOVERNMENTAL IMMUNITY, AND TO ANNEX AN AREA TO THE VILLAGE OF PINEHURST, for concurrence in the House Committee Substitute bill.

The House Committee Substitute bill is placed on the Calendar for Wednesday, October 21.

S.B. 809 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE ARTICLE ON REFRIGERATION CONTRACTORS AND

RELATING TO THE CONVEYANCE OF PROPERTY BY THE NORTH CAROLINA BOARD OF CPA EXAMINERS, for concurrence in House Committee Substitute bill No. 2.

The House Committee Substitute bill No. 2 is placed on the Calendar for Wednesday, October 21.

CALENDAR

Bills on tonight's Calendar are taken up and disposed of, as follows:

H.B. 1362, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT TRANSFERRED SERVICE CREDITS MAY BE INCLUDED IN DETERMINING WHETHER A MEMBER OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM OR THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM MAY PURCHASE MILITARY SERVICE.

With unanimous consent, on motion of Senator Perdue, the bill is withdrawn from tonight's Calendar and is placed on the Calendar for Wednesday, October 21, upon second reading.

S.B. 1554 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE EXCISE TAX ON CONTROLLED SUBSTANCES.

With unanimous consent, on motion of Senator Cooper, the House Committee Substitute bill No. 2 is withdrawn from tonight's Calendar and is placed on the Calendar for Wednesday, October 21, upon second reading.

S.B. 1274 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE LAW REGARDING THE CONTROL OF CHILDHOOD LEAD EXPOSURE, for concurrence in House Committee Substitute bill No. 2, upon second reading.

The Senate concurs in House Committee Substitute bill No. 2 on its second reading by roll-call vote, ayes 39, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Horton, Jordan, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Reeves, Shaw of Cumberland, Shaw of Guilford, Soles, Webster, Weinstein, and Wellons—39.

Voting in the negative: None.

The House Committee Substitute bill is placed on the Calendar for Wednesday, October 21, for concurrence upon third reading.

H.B. 581 (Conference Report), A BILL TO BE ENTITLED AN ACT TO PROVIDE A CIVIL ACTION REMEDY FOR PERSONS WHO ARE SEXUALLY EXPLOITED BY THEIR PSYCHOTHERAPIST, for adoption.

With unanimous consent, on motion of Senator Reeves, the Conference Report is withdrawn from tonight's Calendar and placed on the Calendar for Wednesday, October 21, upon adoption.

WITHDRAWAL FROM CALENDAR

H.B. 926 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS, placed on the Calendar for Tuesday, October 20.

Senator Cooper offers a motion that the Senate Committee Substitute bill be withdrawn from the Calendar for October 20, and placed on the Calendar for October 21, which motion prevails with unanimous consent.

The Chair orders the Senate Committee Substitute bill withdrawn from the Calendar for October 20 and places it on the Calendar for October 21.

H.B. 1629 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO REMOVE AN AREA FROM THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, TO ANNEX AN AREA AS DESCRIBED INTO THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, AND GIVE ADDITIONAL AUTHORITY TO THAT CITY TO MAKE VOLUNTARY SATELLITE ANNEXATIONS, placed on the Calendar for Tuesday, October 20.

Senator Cooper offers a motion that the Committee Substitute bill No. 2 be withdrawn from the Calendar for October 20, and placed on the Calendar for October 21, which motion prevails with unanimous consent.

The Chair orders the Senate Committee Substitute bill No. 2 withdrawn from the Calendar for October 20 and places it on the Calendar for October 21.

S.B. 1312 (House Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO ALLOW CERTAIN COUNTIES TO ACQUIRE PROPERTY FOR USE BY THEIR COUNTY BOARDS OF EDUCATION.

Senator Cooper offers a motion that the Senate Committee Substitute bill No. 3 be withdrawn from the Calendar for October 20, and placed on the Calendar for October 21, which motion prevails with unanimous consent.

The Chair orders the Senate Committee Substitute bill No. 3 withdrawn from the Calendar for October 20 and places it on the Calendar for October 21.

On motion of Senator Ballance, seconded by Senator McDaniel, the Senate adjourns at 7:32 P.M. to meet tomorrow, Tuesday, October 20, at 10:00 A.M.

TWO HUNDRED EIGHTEENTH DAY

Senate Chamber
Tuesday, October 20, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, we're reminded of the story when a new county agent, who was working with the county health officer, was driving along one day when he saw perched on some farmland, as if on stilts, a cabin with a long trough that ran from the back porch down to a

hog pen which was only about twenty-five or thirty feet away from a corner of the kitchen. There were several hogs in the pen. The farmer was getting ready to have some winter meat.

"The agent called him out and said, 'Friend, I hate to mention this to you, but you've got your hog pen too close to your back door and your well. You're going to have to move that hog lot. This is the most unhealthy thing I've ever seen, and something must be done about it right away.'

"The farmer replied, 'I sure don't understand that. I haven't lost a hog in forty years.'

"When truth does not reside on either side of an issue, the world will let us know. But when, as in this story, truth resides on both sides of an issue, may Your justice and mercy be the final arbiters. Amen."

With unanimous consent, the President grants leaves of absence for today to Senator Hoyle, Senator Kinnaird, and Senator Rucho.

Senator Basnight, President *Pro Tempore*, announces the Journal of yesterday, Monday, October 19, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

CONFERENCE REPORT

S.B. 1260

Senator Cooper for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **S.B. 1260** (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO DEVELOP A PLAN OF REORGANIZATION FOR THE TRANSFER OF THE DIVISION OF YOUTH SERVICES OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE DIVISION OF JUVENILE SERVICES OF THE ADMINISTRATIVE OFFICE OF THE COURTS TO THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY, TO AMEND AND RECODIFY THE NORTH CAROLINA JUVENILE CODE, AND TO CONFORM THE GENERAL STATUTES TO THE RECODIFICATION OF THE JUVENILE CODE, AS RECOMMENDED BY THE COMMISSION ON JUVENILE CRIME AND JUSTICE, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 1260 A BILL TO BE ENTITLED AN ACT TO DEVELOP A PLAN OF REORGANIZATION FOR THE TRANSFER OF THE DIVISION OF YOUTH SERVICES OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE DIVISION OF JUVENILE SERVICES OF THE ADMINISTRATIVE OFFICE OF THE COURTS TO THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY, TO AMEND AND RECODIFY THE NORTH CAROLINA JUVENILE CODE, AND TO CONFORM THE GENERAL STATUTES TO THE RECODIFICATION OF THE JUVENILE CODE, AS RECOMMENDED BY THE COMMISSION ON JUVENILE CRIME AND JUSTICE, House Committee Substitute #2, Seventh Edition Engrossed 9/2/98, submit the following report:

The House of Representatives and the Senate agree to the following amendment to the House Committee Substitute #2, Seventh Edition Engrossed 9/2/98, and the House concurs in the House Committee Substitute #2, Seventh Edition Engrossed 9/2/98, with the following amendment:

Delete the entire House Committee Substitute #2, Seventh Edition Engrossed 9/2/98, and substitute the attached Proposed Conference Committee Substitute S1260-PCCS-8861.

The conferees recommend that the Senate and House of Representatives adopt this report.

Date conferees approved report: October 20, 1998.

S/R. A. Cooper, III	S/C. B. Neely, Jr.
S/Austin M. Allran	S/Ed McMahan
S/Walter Dalton	S/Philip A. Baddour, Jr.
S/Fletcher L. Hartsell, Jr.	S/Ronnie Sutton
S/Jeanne H. Lucas	S/Bill Culpepper
S/William N. Martin	S/Joanne W. Bowie
S/Fountain Odom	S/Larry T. Justus
S/Allen H. Wellons	S/Billy Creech
Conferees for the Senate	*Conferees for the House of Representatives*

The text of the attached Proposed Conference Committee Substitute S1260-PCCS-8861is as follows:

A BILL TO BE ENTITLED

AN ACT TO DEVELOP A PLAN OF REORGANIZATION FOR THE TRANSFER OF THE DIVISION OF YOUTH SERVICES OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE DIVISION OF JUVENILE SERVICES OF THE ADMINISTRATIVE OFFICE OF THE COURTS, TO ESTABLISH THE OFFICE OF JUVENILE JUSTICE, TO AMEND AND RECODIFY THE NORTH CAROLINA JUVENILE CODE, AND TO CONFORM THE GENERAL STATUTES TO THE RECODIFICATION OF THE JUVENILE CODE, AS RECOMMENDED BY THE COMMISSION ON JUVENILE CRIME AND JUSTICE.

The General Assembly of North Carolina enacts:

PART I. THE TRANSFER OF THE DIVISION OF YOUTH SERVICES AND THE JUVENILE SERVICES DIVISION TO THE OFFICE OF THE GOVERNOR AND CONFORMING STATUTORY CHANGES

Section 1. (a) Articles 24 and 24A of Chapter 7A of the General Statutes, Article 2 of Chapter 110 of the General Statutes, and Chapter 134A of the General Statutes are repealed.

(b) Chapter 147 of the General Statutes is amended by adding a new Article to read:

"ARTICLE 3C.

"Office of Juvenile Justice.

"Part 1. Creation of Office.

"§ 147-33.30. Creation of the Office of Juvenile Justice.

(a) There is established within the Office of the Governor the Office of Juvenile Justice ("Office"). All executive and administrative powers, duties, and functions are vested in the Office, excluding those of the General Assembly and its agencies, the General Court of Justice, and the administrative agencies created pursuant to Article IV of the Constitution of North Carolina, and higher education previously vested by law in the several State agencies.

(b) Except as modified in this Article, the Governor has the authority, powers, and duties over the Office that are assigned to the Governor and the head of department pursuant to Article 1 of Chapter 143B of the General Statutes, G.S. 143A-6(a), and the Constitution and other laws of this State.

"§ 147-33.31. Transfer of Juvenile Services Division authority to the Office of Juvenile Justice.

(a) All (i) statutory authority, powers, duties, and functions, including rule making, budgeting, and purchasing, (ii) records, (iii) personnel, personnel positions, and salaries, (iv) property, and (v) unexpended balances of appropriations, allocations, reserves, support costs, and other funds of the Juvenile Services Division of the Administrative Office of the Courts are transferred to and vested in the Office of Juvenile Justice. This transfer has all of the elements of a Type I transfer, as defined in G.S. 143A-6.

(b) The Office shall be considered a continuation of the Juvenile Services Division of the Administrative Office of the Courts for the purpose of succession to all rights, powers, duties, and obligations of the Division and of those rights, powers, duties, and obligations exercised by the Administrative Office of the Courts on behalf of the Division. Where the Juvenile Services Division is referred to by law, contract, or other document, that reference shall apply to the Office. Where the Administrative Office of the Courts is referred to by contract or other document, where the Administrative Office of the Courts is acting on behalf of the Juvenile Services Division, that reference shall apply to the Office.

(c) All institutions previously operated by the Juvenile Services Division of the Administrative Office of the Courts and the present central office of the Juvenile Services Division, including land, buildings, equipment, supplies, personnel, or other properties rented or controlled by the Division or by the Administrative Office of the Courts for the Division, shall be administered by the Office of Juvenile Justice.

"§ 147-33.32. Transfer of Division of Youth Services authority to the Office of Juvenile Justice.

(a) All (i) statutory authority, powers, duties, and functions, including rule making, budgeting, and purchasing, (ii) records, (iii) personnel, personnel positions, and salaries, (iv) property, and (v) unexpended balances of appropriations, allocations, reserves, support costs, and other funds of the Division of Youth Services of the Department of Health and Human Services are transferred to and vested in the Office of Juvenile Justice. This transfer has all of the elements of a Type I transfer, as defined in G.S. 143A-6.

(b) The Office shall be considered a continuation of the Division of Youth Services of the Department of Health and Human Services for the purpose of succession to all rights, powers, duties, and obligations of the Division and of those rights, powers, duties, and obligations exercised by the Department on behalf of the Division. Where the Division of Youth Services is referred to by law, contract, or other document, that reference shall apply to the Office. Where the Department of Health and Human Services is referred to by contract or other document, where the Department is acting on behalf of the Division of Youth Services, that reference shall apply to the Office.

(c) All institutions previously operated by the Division of Youth Services of the Department of Health and Human Services and the present central office of the Division of Youth Services, including land, buildings, equipment, supplies, personnel, or other properties rented or controlled by the Division or by the Department for the Division, shall be administered by the Office of Juvenile Justice.

"Part 2. General Provisions.

"§ 147-33.33. Definitions.

The definitions set forth in G.S. 7A-517 apply to this Article, unless modified in this Article.

"§ 147-33.34. Duties, powers, and head of the Office of Juvenile Justice.

(a) The Governor shall be responsible for effectively and efficiently organizing the Office to promote the policy of the State as set forth in this Article and to promote public safety and prevent the commission of delinquent acts by juveniles. The duties and powers of the Office and of the Governor, as head of the Office, are to:

(1) Give leadership to the implementation as appropriate of State policy which requires that training schools be phased out as populations diminish.

(2) Close a State training school when its operation is no longer justified and to transfer State funds appropriated for the operation of any training school which is closed to fund community-based programs or to purchase care or services for predelinquents, delinquents or status offenders in community-based or other appropriate programs or to improve the efficiency of existing training schools, provided such actions are approved by the Advisory Budget Commission.

(3) Develop a sound admission or intake program to juvenile facilities, including the requirement of a careful evaluation of the needs of each juvenile prior to acceptance and placement.

(4) Operate juvenile facilities and implement programs that meet the needs of juveniles receiving services and that assist them to become productive, responsible citizens.

(5) Adopt rules and regulations to implement the provisions of this Article and the responsibilities of the Office under Subchapter XI of Chapter 7A of the General Statutes. The Governor may adopt rules applicable to local human services agencies providing juvenile court and delinquency prevention services for the purpose of program evaluation, fiscal audits, and collection of third-party payments.

(6) Ensure a statewide and uniform system of juvenile intake, protective supervision, probation and aftercare services in all district court districts of the State to provide appropriate, adequate, and uniform services to all juveniles who are alleged or found to be undisciplined or delinquent.

(7) Establish procedures for substance abuse testing for juveniles adjudicated delinquent for substance abuse offenses.

(8) Plan, develop, and coordinate comprehensive multidisciplinary services and programs statewide for the prevention of juvenile delinquency, early intervention, and rehabilitation of juveniles.

(9) Develop standards and approve yearly program evaluations and make recommendations to the General Assembly concerning continuation funding based on the evaluations.

(10) Collect expense data for every program operated and contracted by the Office.

(11) Develop a formula for funding on a matching basis for juvenile court and delinquency prevention services as provided for in this Article. This formula shall be based upon the county's or counties' relative ability to fund community-based programs for juveniles.

Local governments receiving State matching funds for programs under the provisions of this Article must maintain the same overall level of effort that existed at the time of the filing of the county assessment of juvenile needs with the Office.

(12) Assist local governments and private service agencies in the development of juvenile court services and delinquency prevention services, and to provide information on the availability of potential funding sources and assistance in making application for needed funding.

(13) Assist the Criminal Justice Information Network Governing Board with administering a comprehensive juvenile justice information system to collect data and information about delinquent juveniles for the purpose of developing treatment and intervention plans and allowing reliable assessment and evaluation of the effectiveness of rehabilitative and preventive services provided to delinquent juveniles.

(14) Coordinate State-level services in relation to delinquency prevention and juvenile court services so that any citizen may go to one place in State government to receive information about available juvenile services.

(15) Appoint the chief court counselor in each district court district upon the recommendation of the chief district court judge of that district.

(16) Develop a statewide plan for training and professional development of chief court counselors, court counselors, and other personnel responsible for the care, supervision, and treatment of juveniles, including attendance at appropriate professional meetings and opportunities for educational leave for academic study.

(17) Study issues related to qualifications, salary ranges, appointment of personnel on a merit basis, including chief court counselors, court counselors, secretaries, and other appropriate personnel, at the State and district levels in order to adopt appropriate policies and procedures governing personnel.

(18) Have all other powers of a department head in relation to juvenile services, juvenile facilities, or juvenile programs as provided by this Article, Chapter 143B of the General Statutes, or as provided by any other appropriate State law.

(b) Where Office statistics indicate the presence of minority youth in juvenile facilities disproportionate to their presence in the general population, the Office shall develop and recommend appropriate strategies designed to ensure fair and equal treatment in the juvenile justice system.

(c) The Office may provide consulting services and technical assistance to courts, law enforcement agencies, and other agencies, local governments, and public and private organizations, and may develop or assist Juvenile Crime Prevention Councils in developing community needs, assessments, and programs relating to the prevention and treatment of delinquent and undisciplined behavior.

(d) The Office shall develop a cost-benefit model and apply the model to each State-funded program. Program commitment and recidivism rates shall be components of the

model. In developing the model, the Office shall consider the recommendations of the State Advisory Council on Juvenile Justice and Delinquency Prevention.

"§ 147-33.35. Authority to contract with other entities.

(a) The Office may contract with any governmental agency, person, association, or corporation for the accomplishment of its duties and responsibilities provided that the expenditure of funds pursuant to these contracts shall be for the purposes for which the funds were appropriated and is not otherwise prohibited by law.

(b) The Office may enter into contracts with, and act as intermediary between, any federal government agency and any county of this State for the purpose of assisting the county to recover monies expended by a county-funded financial assistance program; and, as a condition of assistance, the county shall agree to hold and save harmless the Office against any claims, loss, or expense which the Office might incur under the contracts by reason of any erroneous, unlawful, or tortious act or omission of the county or its officials, agents, or employees.

(c) The Office and any other appropriate State or local agency may purchase services from public or private agencies providing delinquency prevention programs or juvenile court services, including parenting responsibility classes. The programs shall meet State standards. As institutional populations are reduced, the Office may divert State funds appropriated for institutional programs to purchase the services pursuant to the provisions of the Executive Budget Act.

(d) Each programmatic, residential, and service contract or agreement entered into by the Office shall include a cooperation clause to ensure compliance with the Office's quality assurance requirements and cost-accounting requirements.

"§ 147-33.36. Authority to assist private nonprofit foundations.

The Office may provide appropriate services or allow employees of the Office to assist any private nonprofit foundation which works directly with services or programs of the Office and whose sole purpose is to support the services and programs of the Office. An Office employee shall be allowed to work with a foundation no more than 20 hours in any one month. These services are not subject to the provisions of Chapter 150B of the General Statutes.

The board of directors of each private, nonprofit foundation shall secure and pay for the services of the Department of State Auditor or employ a certified public accountant to conduct an annual audit of the financial accounts of the foundation. The board of directors shall transmit to the Office a copy of the annual financial audit report of the private nonprofit foundation.

"§ 147-33.37. Annual report.

On or before April 1 each year, beginning with the year 2000, the Office shall report to the General Assembly on the effectiveness and cost benefit of every program operated and contracted by the Office and a summary of the local programs that receive State funding. The report shall include the most current institutional populations of juveniles being served by the Office, a comparison of the costs of the services, and a ranking of all programs that provide services to juveniles. The Office shall submit the report to the various State agencies providing services to juveniles.

"Part 3. Juvenile Facilities.

"§ 147-33.38. Juvenile facilities.

The Office shall be responsible for administration of statewide programs to provide any juvenile in a juvenile facility with appropriate treatment according to the juvenile's needs, including educational, clinical and psychological, psychiatric, social, medical, vocational, and recreational services or programs.

"§ 147-33.39. Authority to provide necessary medical or surgical care.

The Office may provide any medical and surgical treatment necessary to preserve the life and health of juveniles committed to the custody of the Office, provided that no surgical operation may be performed except as authorized in G.S. 148-22.2.

"§ 147-33.40. Compensation to juveniles committed to the Office.

Juveniles who have been committed to the Office may be compensated for work or participation in training programs at rates approved by the Office within available funds. The Office may provide for a reasonable allowance to the juvenile for incidental personal expenses, and any balance of the juvenile's earnings remaining at the time the juvenile is released shall be paid to the juvenile or the juvenile's parent or guardian. The Office is authorized to accept grants or funds from any source to compensate juveniles as provided under this section.

"§ 147-33.41. Visits and community activities.

(a) The Office shall encourage visits by parents or guardians and responsible relatives of juveniles committed to the custody of the Office.

(b) The Office shall develop a program of home visits for juveniles in the custody of the Office. In developing the program, the Office shall adopt criteria that promote the protection of the public and the best interests of the juvenile.

"§ 147-33.42. Regional detention services.

The Office shall be responsible for juvenile detention services, including the development of a statewide plan for regional juvenile detention services that offer juvenile detention care of sufficient quality to meet State standards to any juvenile requiring juvenile detention care within the State in a detention home or regional detention home as follows:

(1) The Office shall plan with the counties operating a county detention home to provide regional juvenile detention services to surrounding counties, except that the Office shall have discretion in defining the geographical boundaries of the regions based on negotiations with affected counties, distances, availability of juvenile detention care that meets State standards, and other appropriate factors.

(2) The Office may plan with any county that has space within its county jail system to use the existing space for a county detention home when needed, if the space meets the State standards for a detention home and meets all of the requirements of G.S. 153A-221. The use of space within the county jail system shall be structured to ensure that juveniles would not be able to converse with, see, or be seen by the adult population, and juveniles housed in a space within a county jail shall be supervised closely.

(3) The Office shall plan for and administer regional detention homes, including careful planning on location, architectural design, construction, and administration of a program to meet the needs of juveniles in juvenile detention care. The physical facility of a regional detention home shall comply with all applicable State and federal standards. The programs of a regional detention home shall comply with the standards established by the Office.

"§ 147-33.43. State subsidy to county detention homes.

The Office shall administer a State subsidy program to pay a county that provides juvenile detention services and meets State standards a certain per diem per juvenile. In general, this per diem should be fifty percent (50%) of the total cost of caring for a juvenile from within the county and one hundred percent (100%) of the total cost of caring for a juvenile from another county. Any county placing a juvenile in a detention

home in another county shall pay fifty percent (50%) of the total cost of caring for the juvenile to the Office. The exact funding formulas may be varied by the Office to operate within existing State appropriations or other funds that may be available to pay for juvenile detention care.

"§ 147-33.44. Authority for implementation.

In order to allow for effective implementation of a statewide regional approach to juvenile detention, the Office may:

(1) Release or transfer a juvenile from one detention home to another when necessary to appropriately administer the juvenile's detention.

(2) Plan with counties operating county detention homes to provide regional services and to upgrade physical facilities to contract with counties for services and care, and to pay State subsidies to counties providing regional juvenile detention services that meet State standards.

(3) Allow law enforcement officers or other appropriate employees of local government to be reimbursed by the State for the costs of transportation of a juvenile to and from any juvenile detention home.

(4) Seek funding for juvenile detention services from federal sources, and to accept gifts of funds from public or private sources.

"Part 4. Juvenile Court Services.

"§ 147-33.45. Duties and powers of chief court counselors.

The chief court counselor in each district court district appointed as provided by this Article may:

(1) Appoint court counselors, secretaries, and other personnel authorized by the Office in accordance with the personnel policies adopted by the Office.

(2) Supervise and direct the program of juvenile intake, protective supervision, probation, and aftercare within the district court district.

(3) Provide in-service training for staff as required by the Office.

(4) Keep any records and make any reports requested by the Office in order to provide statewide data and information about juvenile needs and services.

"§ 147-33.46. Duties and powers of juvenile court counselors.

As the court or the chief court counselor may direct or require, all juvenile court counselors shall have the following powers and duties:

(1) Secure or arrange for such information concerning a case as the court may require before, during, or after the hearing.

(2) Prepare written reports for the use of the court.

(3) Appear and testify at court hearings.

(4) Assume custody of a juvenile as authorized by G.S. 7A-571, or when directed by court order.

(5) Furnish each juvenile on probation or protective supervision and the juvenile's parents, guardian, or custodian with a written statement of the juvenile's conditions of probation or protective supervision, and consult with the juvenile's parents, guardian, or custodian so that they may help the juvenile comply with the conditions.

(6) Keep informed concerning the conduct and progress of any juvenile on probation or under protective supervision through home visits or conferences with the parents or guardian and in other ways.

(7) See that the conditions of probation are complied with by the juvenile, or to bring any juvenile who violates the juvenile's probation to the

attention of the court.

(8) Make periodic reports to the court concerning the adjustment of any juvenile on probation or under court supervision.

(9) Keep any records of the juvenile's work as the court may require.

(10) Account for all funds collected from juveniles.

(11) Serve necessary court documents pertaining to delinquent and undisciplined juvenile matters.

(12) Assume custody of juveniles under the jurisdiction of the court when necessary for the protection of the public, or the juvenile, and necessary to carry out the responsibilities of court counselors under this section and under Subchapter XI of Chapter 7A of the General Statutes.

(13) Use reasonable force and restraint necessary to secure custody assumed under subdivision (12) of this section.

(14) Provide supervision for a juvenile transferred to the counselor's supervision from another court or another state, and provide supervision for any juvenile released from an institution operated by the Office when requested by the Office to do so.

(15) Assist in the development of aftercare and the supervision of juveniles.

(16) Have any other duties as the court may direct.

"Part 5. Comprehensive Juvenile Delinquency and Substance Abuse Prevention Plan.

"§ 147-33.47. Comprehensive Juvenile Delinquency and Substance Abuse Prevention Plan.

(a) The Office shall develop a comprehensive juvenile delinquency and substance abuse prevention plan and shall coordinate with county Juvenile Crime Prevention Councils, as provided in G.S. 147-33.48, for implementation of a continuum of services and programs at the community level. The Office shall ensure that localities are informed about best practices in juvenile delinquency and substance abuse prevention.

(b) The Office shall ensure that the plan contains the following:

(1) Identification of the risk factors at the developmental stages of a juvenile's life that may result in delinquent behavior.

(2) Identification of the protective factors that families, schools, communities, and the State must support to reduce the risk of juvenile delinquency.

(3) Programmatic concepts that are effective in preventing juvenile delinquency and substance abuse and that should be made available as basic services in the communities, including:

a. Early intervention programs and services.

b. In-home training and community-based family counseling and parent training.

c. Adolescent and family substance abuse prevention services, including alcohol abuse prevention services, and substance abuse education.

d. Programs and activities offered before and after school hours.

e. Life and social skills training programs.

f. Classes or seminars that teach conflict resolution, problem solving, and anger management.

g. Services that provide personal advocacy, including mentoring relationships, tutors, or other caring adult programs.

(c) Prior to the implementation of the Office's plan prescribed in this section, the Office shall report to the State Advisory Council on Juvenile Justice and Delinquency

Prevention, as established in G.S. 147-33.56.

(d) The Office shall cooperate with all other affected State agencies and entities in implementing this section.

"Part 6. Juvenile Crime Prevention Councils.

"§ 147-33.48. Legislative intent.

It is the intent of the General Assembly to prevent juveniles who are at risk from becoming delinquent. The primary intent of this Part is to develop community-based alternatives to training schools and to provide community-based delinquency and substance abuse prevention strategies and programs. Additionally, it is the intent of the General Assembly to provide noninstitutional dispositional alternatives that will protect the community and the juveniles.

These programs and services shall be planned and organized at the community level and developed in partnership with the State. These planning efforts shall include appropriate representation from local government, local public and private agencies serving juveniles and their families, local business leaders, citizens with an interest in youth problems, youth representatives, and others as may be appropriate in a particular community. The planning bodies at the local level shall be the Juvenile Crime Prevention Councils.

"§ 147-33.49. Creation; method of appointment; membership; chair and vice-chair.

(a) As a prerequisite for a county receiving funding for juvenile court services and delinquency prevention programs, the board of county commissioners shall appoint a Juvenile Crime Prevention Council. The Juvenile Crime Prevention Council shall consist of not more than 25 members and should include, if possible, the following:

(1) The local school superintendent(s), or that person's designee(s);
(2) A chief of police in the county;
(3) The local sheriff, or that person's designee;
(4) The district attorney, or that person's designee;
(5) The chief court counselor, or that person's designee;
(6) The director of the area mental health, developmental disabilities, and substance abuse authority, or that person's designee;
(7) The director of the county department of social services, or consolidated human services agency, or that person's designee;
(8) The county manager, or that person's designee;
(9) A substance abuse professional;
(10) A member of the faith community;
(11) A county commissioner;
(12) A person under the age of 21;
(13) A juvenile defense attorney;
(14) The chief district court judge, or a district court judge designated by the chief district court judge;
(15) A member of the business community;
(16) The local health director, or that person's designee;
(17) A representative from the United Way or other nonprofit agency;
(18) A representative of a local parks and recreation program; and
(19) Up to seven members of the public to be appointed by the county board of commissioners.

The county board of commissioners shall modify the Council's membership as necessary to ensure that Council members reflect the racial and socioeconomic diversity of the community and to minimize potential conflicts of interest by members.

(b) Two or more counties may establish a multicounty Juvenile Crime Prevention

Council pursuant to subsection (a) of this section. The membership shall be representative of each participating county.

(c) The chair and vice-chair shall be elected annually by the members of the Council.

"§ 147-33.50. Terms of appointment.

Each member of a Juvenile Crime Prevention Council shall serve for a term of two years. Members may be reappointed. Terms of appointment shall begin January 1, 1999. In order to provide for staggered terms, persons appointed for the positions designated in subdivisions (9), (10), (12), (15), (17), and (18) of G.S. 147-33.49(a) shall be for an initial one-year term and two-year terms thereafter.

"§ 147-33.51. Vacancies; removal.

Appointments to fill vacancies shall be for the remainder of the former member's term.

Members shall only be removed for misfeasance, malfeasance, or nonfeasance as determined by the board of county commissioners.

"§ 147-33.52. Meetings; quorum.

Councils shall meet at least once per month, or more often if a meeting is called by the chair.

A majority of members shall constitute a quorum.

"§ 147-33.53. Compensation of members.

Members of Juvenile Crime Prevention Councils shall receive no compensation but may receive a per diem in such an amount as may be established by the board of county commissioners.

"§ 147-33.54. Powers and duties.

(a) The Councils shall annually review the needs of juveniles in the county who are at risk of delinquency or who have been adjudicated undisciplined or delinquent and the resources available to address those needs. The Council shall develop and advertise a request for proposal process and submit a written plan of action for the expenditure of juvenile sanction and prevention funds to the board of county commissioners for its approval. Upon the county's authorization, the plan shall be submitted to the Office for final approval and subsequent implementation.

(b) The Councils shall ensure that appropriate intermediate dispositional options are available and shall prioritize funding for dispositions of intermediate and community level sanctions for court-adjudicated juveniles pursuant to minimum standards adopted by the Office.

(c) The Councils shall perform the following functions on an ongoing basis:

(1) Assess the needs of juveniles in the community, evaluate the adequacy of resources available to meet those needs, and develop or propose ways to address unmet needs;

(2) Evaluate the performance of juvenile services and programs in the community. The Council shall evaluate each funded program as a condition of continued funding;

(3) Increase public awareness of the causes of delinquency and of strategies to reduce the problem;

(4) Develop strategies to intervene and appropriately respond to and treat the needs of juveniles at risk of delinquency through appropriate risk assessment instruments;

(5) Provide funds for services for treatment, counseling, or rehabilitation for juveniles and their families, including court-ordered parenting responsibility classes; and

(6) Plan for the establishment of a permanent funding stream for

delinquency prevention services.

(d) The Councils may examine the benefits of joint program development between counties within the same judicial district.

"§ 147-33.55. Funding for programs.

(a) The Office shall develop a funding mechanism for programs that meet the standards as developed under the provisions of this Part. The Office shall ensure that the guidelines for the State/local partnership's funding process include the following requirements:

(1) Fund effective programs. -- The Office shall fund programs that it determines to be effective in preventing delinquency and recidivism. Programs that have proven to be ineffective shall not be funded;

(2) Use a formula for the distribution of funds. -- A funding formula shall be developed that ensures that even the smallest counties will be able to provide the basic prevention and alternatives services to juveniles in their communities;

(3) Allow and encourage local flexibility. -- A vital component of the State/local partnership established by this section is local flexibility to determine how best to allocate prevention and alternatives funds; and

(4) Combine resources. -- Counties shall be allowed and encouraged to combine resources and services.

(b) The Office shall adopt rules to implement this section, and the Office shall provide technical assistance to Juvenile Crime Prevention Councils and shall ensure that the Juvenile Crime Prevention Councils evaluate all State-funded programs and services on an ongoing and regular basis.

"Part 7. State Advisory Council on Juvenile Justice and Delinquency Prevention.

"§ 147-33.56. Creation of Council; purpose; members; duties.

(a) Creation. -- There is created the State Advisory Council on Juvenile Justice and Delinquency Prevention. The Council shall be located within the Office for organizational, budgetary, and administrative purposes.

(b) Purpose. -- The purpose of the Council is to review and advise the Office in the development of a comprehensive interagency plan to reduce juvenile delinquency and substance abuse and to coordinate efforts among State agencies providing services and supervision to juveniles who are at risk of delinquency and for juveniles who have been adjudicated of delinquent and undisciplined behavior.

(c) Membership. -- The Council shall consist of 19 members as follows:

(1) Five persons appointed by the Governor, one of whom is a private citizen who has demonstrated an interest in and commitment to juvenile justice issues.

(2) Four persons appointed by the Chief Justice of the Supreme Court.

(3) The following persons, or their designees, ex officio:

a. The Governor.

b. The Chief Justice of the Supreme Court.

c. The President Pro Tempore of the Senate.

d. The Speaker of the House of Representatives.

e. The Director of the Administrative Office of the Courts.

f. The Superintendent of Public Instruction.

g. The Secretary of the Department of Administration.

h. The Secretary of the Department of Health and Human Services.

i. The Secretary of the Department of Correction.

j. The Secretary of the Department of Crime Control and Public Safety.

(d) Terms. -- Members, other than ex officio members, shall serve for two-year terms, beginning January 1, 1999, with no prohibition against being reappointed, except initial appointments shall be for terms as follows:

(1) The Governor shall initially appoint three members for terms of two years and two members for terms of three years.

(2) The Chief Justice of the Supreme Court shall initially appoint two members for terms of two years and two members for terms of three years.

(e) Chair. -- The Governor and Chief Justice of the Supreme Court shall serve as cochairs of the Council.

(f) Vacancies. -- A vacancy on the Council resulting from the resignation of a member or otherwise shall be filled in the same manner in which the original appointment was made, and the term shall be for the balance of the unexpired term.

(g) Compensation. -- The Council members shall receive no salary as a result of serving on the Council but shall receive per diem, subsistence, and travel expenses in accordance with the provisions of G.S. 120-3.1, 138-5, and 138-6, as applicable.

(h) Removal. -- Members may be removed in accordance with G.S. 143B-13 as if that section applied to this Article.

(i) Meetings. -- The chair shall convene the Council. Meetings shall be held as often as necessary but not less than four times a year.

(j) Quorum. -- A majority of the members of the Council shall constitute a quorum for the transaction of business. The affirmative vote of a majority of the members present at meetings of the Council shall be necessary for action to be taken by the Council.

"§ 147-33.57. Powers and duties of the Council.

The Council shall have the following powers and duties:

(1) Advise the Office in the review of the State's juvenile justice planning, the development of the community juvenile justice councils, and the development of a formula for the distribution of funds to Juvenile Crime Prevention Councils.

(2) Advise all State agencies serving juveniles for the purpose of developing a consistent philosophy with regard to providing services to juveniles and promoting collaboration and the efficient and effective delivery of services to juveniles and families through State, local, and district programs and fully address problems of collaboration across State agencies with the goal of serving juveniles.

(3) Review and comment on juvenile justice, delinquency prevention, and juvenile services grant applications prepared for submission under any federal grant program by any governmental entity of the State.

(4) Review the juvenile justice system's operation and prioritization of funding needs.

(5) Review the progress and accomplishment of State and local juvenile justice, delinquency prevention, and juvenile services projects.

(6) Develop recommendations concerning the establishment of priorities and needed improvements with respect to juvenile justice, delinquency prevention, and juvenile services and report its recommendations to the General Assembly on or before March 1 each year, beginning in the year 2000.

(7) Review and comment on the proposed budget for the Office."

(c) All juveniles in the custody or placement responsibility of the Division of Youth Services of the Department of Health and Human Services, as of January 1, 1999, are hereby transferred effective on that date to the custody or placement responsibility of the Office of Juvenile Justice. All juveniles under the supervision of the Division of Juvenile Services of the Administrative Office of the Courts and all juveniles for whom a juvenile petition is pending as of January 1, 1999, are hereby transferred effective on that date to the supervision or administrative responsibility of the Office of Juvenile Justice.

(d) Beginning January 1, 1999, the Office of Juvenile Justice shall have all the authority, powers, and duties of the Division of Youth Services of the Department of Health and Human Services and the Juvenile Services Division of the Administrative Office of the Courts pursuant to Article 3C of Chapter 147 of the General Statutes, as enacted in Section 1(b) of this act. Effective January 1, 1999, the terms "Division", "Division of Youth Services", "Division of Juvenile Services", "Juvenile Services Division", "Administrative Office of the Courts", "Director of Youth Services", "Director of the Division of Youth Services", "Administrator for Juvenile Services", and "Administrator of Juvenile Services" as used in Subchapter XI of Chapter 7A of the General Statutes shall refer to the Office of Juvenile Justice established in Section 1(b) of this act.

(e) The Office of the Governor shall report to the Joint Legislative Commission on Governmental Operations and to the House and Senate Appropriations Committees on or before May 1, 1999, on the organizational structure and staffing of the Office of Juvenile Justice. The report shall include:

(1) The total budget for the 1998-99 fiscal year and the proposed budget for 1999-2000 fiscal year, including the source of funds.

(2) A summary of unexpended balances of appropriations, allocations, reserves, and support costs transferred from the Division of Youth Services of the Department of Health and Human Services and of the Juvenile Services Division of the Administrative Office of the Courts.

(3) A list of personnel positions, including any personnel positions that have been reclassified, abolished, or established as part of the new structure and the differences between old and new salaries.

(4) An organization chart of all proposed and operating programs, including a summary of the status of the development of the Juvenile Crime Prevention Councils and the allocation of funding for local programs.

Section 2. (a) G.S. 147-33.33, as enacted by Section 1 of this act, reads as rewritten:

"§ 147-33.33. Definitions.

The definitions set forth in ~~G.S. 7A-517~~ G.S. 7B-1501 apply to this Article, unless modified in this Article."

(b) G.S. 147-33.34(5), as enacted by Section 1 of this act, reads as rewritten:

"(5) To adopt rules and regulations to implement the provisions of this Article and the responsibilities of the Office under ~~Subchapter XI of Chapter 7A~~ Chapter 7B of the General Statutes. The Governor may adopt rules applicable to local human services agencies providing juvenile court and delinquency prevention services for the purpose of program evaluation, fiscal audits, and collection of third- party payments."

(c) G.S. 147-33.41, as enacted by Section 1 of this act, reads as rewritten:

"§ 147-33.41. Visits and community activities.

(a) The Office shall encourage visits by parents or guardians and responsible relatives

of juveniles committed to the custody of the Office.

(b) The Office shall develop a program of home visits for juveniles in the custody of the ~~Office.~~ Office, after the juvenile has been in the custody of the Office for a period of at least six months. In developing the program, the Office shall adopt criteria that promote the protection of the public and the best interests of the juvenile."

(d) G.S. 147-33.46(4), as enacted by Section 1 of this act, reads as rewritten:

"(4) To assume custody of a juvenile as authorized by ~~G.S. 7A-571,~~ G.S. 7B-1900, or when directed by court order."

(e) G.S. 147-33.46(12), as enacted by Section 1 of this act, reads as rewritten:

"(12) To assume custody of juveniles under the jurisdiction of the court when necessary for the protection of the public, or the juvenile, and necessary to carry out the responsibilities of court counselors under this section and under ~~Subchapter XI of Chapter 7A~~ Chapter 7B of the General Statutes."

(f) Effective July 1, 1999, the Revisor of Statutes shall substitute the term "post-release supervision" for the term "aftercare" and the term "detention facility" for the terms "detention home" and "regional detention home" everywhere those terms appear in Article 3C of Chapter 147 of the General Statutes, as enacted in Section 1 of this act.

PART II. PLAN OF REORGANIZATION

Section 3. The Governor shall develop a proposed plan of reorganization to transfer all authority, powers, duties, and functions of the Division of Youth Services of the Department of Health and Human Services and of the Juvenile Services Division of the Administrative Office of the Courts, which are temporarily transferred to the Office of the Governor in Section 1 of this act, to an existing principal State department, or in the alternative, to a new principal State department. While the Division of Youth Services and the Juvenile Services Division ("Divisions") are consolidated under the Office of the Governor, the Governor shall consider the organizational structure, the operating budgets, and the duties and requirements of the Divisions to determine how those Divisions can operate most effectively and efficiently.

As part of the development of the plan of reorganization, the Governor shall conduct a study to determine alternative organizational structures for managing State juvenile programs and shall consider the feasibility and advisability of transferring the authority, powers, duties, and functions of the Divisions to an existing principal State department or in the alternative, to a new principal State department. The Governor shall review all agency divisions, councils, and programs that provide services to and treatment of juveniles, including other divisions of the Department of Health and Human Services, the Center for the Prevention of School Violence, School Resource Officers, and the Guardian ad Litem Program of the Administrative Office of the Courts to determine whether the agency divisions, councils, or programs would operate more effectively and efficiently if consolidated under the plan of reorganization. The Governor shall also study the method by which federal and State funds and grants, including the Juvenile Accountability Incentive Block Grants, are distributed to the local level to determine whether those functions should be consolidated under the plan of reorganization, whether priority should be given to funding certain programs in an effort to develop those programs statewide, and whether matching funds should be required from local governments as a prerequisite to obtaining State funds.

The plan of reorganization shall include the following:

(1) The organizational structure of the new department if the creation of a new department is recommended, or, if consolidation of the Divisions within an existing department is recommended, the organizational

structure of the division or divisions and a summary of any central administrative office support given to the division or divisions. The plan shall include a statement of the total personnel positions for management, administration, and programs and the reporting relationships of those positions.

(2) The proposed budget for fiscal year 2000-2001 for the new department, or the existing department and consolidated division or divisions within that department, including any proposed new positions, position reclassifications, or changes to salary structure of personnel.

(3) Any proposal to consolidate any existing agency division, council, or program, other than the Division of Youth Services or the Juvenile Services Division, that provides services to and treatment of juveniles within the new department or new division or divisions.

(4) A written statement of all options of reorganization considered by the Governor, a summary of why those options were not adopted, and an explanation of how the recommended organization and management structure will result in the most effective and efficient delivery of juvenile services and programs.

(5) Any legislative proposals required to provide services to and treatment of juveniles more efficiently and effectively and any proposals to consolidate or expand office space, including the location and expected cost of the proposal.

All departments, divisions, councils, and programs from which the Governor may require information or assistance in developing the plan of reorganization shall cooperate with the Governor.

On or before April 1, 2000, the Governor shall report the plan of reorganization and funding requirements that are required to implement the plan of reorganization to the General Assembly. The plan of reorganization developed pursuant to this section shall not become effective until it is approved by the General Assembly.

Section 4. (a) G.S. 7A-343.1 reads as rewritten:

"§ 7A-343.1. Distribution of copies of the appellate division reports.

The Administrative Officer of the Courts shall, at the State's expense distribute such number of copies of the appellate division reports to federal, State departments and agencies, and to educational institutions of instruction, as follows:

Governor, Office of the	1
Lieutenant Governor, Office of the	1
Secretary of State, Department of the	2
State Auditor, Department of the	1
Treasurer, Department of the State	1
Superintendent of Public Instruction	1
Office of the Attorney General	11
State Bureau of Investigation	1
Agriculture and Consumer Services, Department of	1
Labor, Department of	1
Insurance, Department of	1
Budget Bureau, Department of Administration	1
Property Control, Department of Administration	1
State Planning, Department of Administration	1
Environment and Natural Resources, Department of	1

Revenue, Department of	1
Health and Human Services, Department of	1
Juvenile Justice, Office of	1
Commission for the Blind	1
Transportation, Department of	1
Motor Vehicles, Division of	1
Utilities Commission	8
Industrial Commission	11
State Personnel Commission	1
Office of State Personnel	1
Office of Administrative Hearings	2
Community Colleges, Department of	38
Employment Security Commission	1
Commission of Correction	1
Parole Commission	1
Archives and History, Division of	1
Crime Control and Public Safety, Department of	2
Cultural Resources, Department of	3
Legislative Building Library	2
Justices of the Supreme Court	1 ea.
Judges of the Court of Appeals	1 ea.
Judges of the Superior Court	1 ea.
Clerks of the Superior Court	1 ea.
District Attorneys	1 ea.
Emergency and Special Judges of the Superior Court	1 ea.
Supreme Court Library	AS MANY AS REQUESTED
Appellate Division Reporter	1
University of North Carolina, Chapel Hill	71
University of North Carolina, Charlotte	1
University of North Carolina, Greensboro	1
University of North Carolina, Asheville	1
North Carolina State University, Raleigh	1
Appalachian State University	1
East Carolina University	1
Fayetteville State University	1
North Carolina Central University	17
Western Carolina University	1
Duke University	17
Davidson College	2
Wake Forest University	25
Lenoir Rhyne College	1
Elon College	1
Campbell University	25
Federal, Out-of-State and Foreign Secretary of State	1
Secretary of Defense	1
Secretary of Health, Education and Welfare	1
Secretary of Housing and Urban Development	1
Secretary of Transportation	1
Attorney General	1
Department of Justice	1

Internal Revenue Service	1
Veterans' Administration	1
Library of Congress	5
Federal Judges resident in North Carolina	1 ea.
Marshal of the United States Supreme Court	1
Federal District Attorneys resident in North Carolina	1 ea.
Federal Clerks of Court resident in North Carolina	1 ea.
Supreme Court Library exchange list	1

Each justice of the Supreme Court and judge of the Court of Appeals shall receive for ~~his~~ private use, one complete and up- to-date set of the appellate division reports. The copies of reports furnished each justice or judge as set out in the table above may be retained ~~by him~~ personally to enable ~~him~~ the justice or judge to keep up-to-date ~~his~~ the personal set of reports."

(b) G.S. 14-316.1 reads as rewritten:

"§ 14-316.1. Contributing to delinquency and neglect by parents and others.

Any person who is at least 16 years old who knowingly or willfully causes, encourages, or aids any juvenile within the jurisdiction of the court to be in a place or condition, or to commit an act whereby the juvenile could be adjudicated delinquent, undisciplined, abused, or neglected as defined by ~~G.S. 7A-517~~ G.S. 7B-101 and G.S. 7B-1501 shall be guilty of a Class 1 misdemeanor.

It is not necessary for the district court exercising juvenile jurisdiction to make an adjudication that any juvenile is delinquent, undisciplined, abused, or neglected in order to prosecute a parent or any person, including an employee of the ~~Department of Health and Human Services~~ Office of Juvenile Justice under this section. An adjudication that a juvenile is delinquent, undisciplined, abused, or neglected shall not preclude a subsequent prosecution of a parent or any other person including an employee of the ~~Division of Youth Services~~ Office of Juvenile Justice, who contributes to the delinquent, undisciplined, abused, or neglected condition of any juvenile."

(c) G.S. 17C-3 reads as rewritten:

"§ 17C-3. North Carolina Criminal Justice Education and Training Standards Commission established; members; terms; vacancies.

(a) There is established the North Carolina Criminal Justice Education and Training Standards Commission, hereinafter called `the Commission,' in the Department of Justice. The Commission shall be composed of 26 members as follows:

(1) Police Chiefs. -- Three police chiefs selected by the North Carolina Association of Chiefs of Police and one police chief appointed by the Governor.

(2) Police Officers. -- Three police officials appointed by the North Carolina Police Executives Association and two criminal justice officers certified by the Commission as selected by the North Carolina Law-Enforcement Officers' Association.

(3) Departments. -- The Attorney General of the State of North Carolina; the Secretary of the Department of Crime Control and Public Safety; ~~the Secretary of the Department of Health and Human Services;~~ the Secretary of the Department of Correction; the President of the Department of Community Colleges.

(3a) A representative of the Office of Juvenile Justice.

(4) At-large Groups. -- One individual representing and appointed by each of the following organizations: one mayor selected by the League of

Municipalities; one law-enforcement training officer selected by the North Carolina Law-Enforcement Training Officers' Association; one criminal justice professional selected by the North Carolina Criminal Justice Association; one sworn law- enforcement officer selected by the North State Law-Enforcement Officers' Association; one member selected by the North Carolina Law-Enforcement Women's Association; and one District Attorney selected by the North Carolina Association of District Attorneys.

(5) Citizens and Others. -- The President of The University of North Carolina; the Director of the Institute of Government; and two citizens, one of whom shall be selected by the Governor and one of whom shall be selected by the Attorney General. The General Assembly shall appoint two persons, one upon the recommendation of the Speaker of the House of Representatives and one upon the recommendation of the President Pro Tempore of the Senate. Appointments by the General Assembly shall be made in accordance with G.S. 120-122. Appointments by the General Assembly shall serve two-year terms to conclude on June 30th in odd-numbered years.

(b) The members shall be appointed for staggered terms. The initial appointments shall be made prior to September 1, 1983, and the appointees shall hold office until July 1 of the year in which their respective terms expire and until their successors are appointed and qualified as provided hereafter:

For the terms of one year: one member from subdivision (1) of subsection (a), serving as a police chief; three members from subdivision (2) of subsection (a), one serving as a police official, and two criminal justice officers; one member from subdivision (4) of subsection (a), appointed by the North Carolina Law-Enforcement Training Officers' Association; and two members from subdivision (5) of subsection (a), one appointed by the Governor and one appointed by the Attorney General.

For the terms of two years: one member from subdivision (1) of subsection (a), serving as a police chief; one member from subdivision (2) of subsection (a), serving as a police official; and two members from subdivision (4) of subsection (a), one appointed by the League of Municipalities and one appointed by the North Carolina Association of District Attorneys.

For the terms of three years: two members from subdivision (1) of subsection (a), one police chief appointed by the North Carolina Association of Chiefs of Police and one police chief appointed by the Governor; one member from subdivision (2) of subsection (a), serving as a police official; and three members from subdivision (4) of subsection (a), one appointed by the North Carolina Law-Enforcement Women's Association, one appointed by the North Carolina Criminal Justice Association, and one appointed by the North State Law-Enforcement Officers' Association.

Thereafter, as the term of each member expires, his successor shall be appointed for a term of three years. Notwithstanding the appointments for a term of years, each member shall serve at the will of the appointing authority.

The Attorney General, the Secretary of the Department of Crime Control and Public Safety, ~~the Secretary of the Department of Health and Human Services,~~ the Secretary of the Department of Correction, the President of The University of North Carolina, the Director of the Institute of Government, and the President of the Department of Community Colleges shall be continuing members of the Commission during their tenure. These members of the Commission shall serve ex officio and shall perform their duties on the Commission in addition to the other duties of their offices. The ex officio members

may elect to serve personally at any or all meetings of the Commission or may designate, in writing, one member of their respective office, department, university or agency to represent and vote for them on the Commission at all meetings the ex officio members are unable to attend.

Vacancies in the Commission occurring for any reason shall be filled, for the unexpired term, by the authority making the original appointment of the person causing the vacancy. A vacancy may be created by removal of a Commission member by majority vote of the Commission for misconduct, incompetence, or neglect of duty. A Commission member may be removed only pursuant to a hearing, after notice, at which the member subject to removal has an opportunity to be heard."

(d) G.S. 66-58(b) reads as rewritten:

"(b) The provisions of subsection (a) of this section shall not apply to:

(1) Counties and municipalities.

(2) The Department of Health and Human Services or the Department of Agriculture and Consumer Services for the sale of serums, vaccines, and other like products.

(3) The Department of Administration, except that the agency shall not exceed the authority granted in the act creating the agency.

(4) The State hospitals for the mentally ill.

(5) The Department of Health and Human Services.

(6) The North Carolina School for the Blind at Raleigh.

(6a) The Office of Juvenile Justice.

(7) The North Carolina Schools for the Deaf.

(8) The Greater University of North Carolina with regard to its utilities and other services now operated by it nor to the sale of articles produced incident to the operation of instructional departments, articles incident to educational research, articles of merchandise incident to classroom work, meals, books, or to articles of merchandise not exceeding twenty-five cents (25¢) in value when sold to members of the educational staff or staff auxiliary to education or to duly enrolled students or occasionally to immediate members of the families of members of the educational staff or of duly enrolled students nor to the sale of meals or merchandise to persons attending meetings or conventions as invited guests nor to the operation by the University of North Carolina of an inn or hotel and dining and other facilities usually connected with a hotel or inn, nor to the hospital and Medical School of the University of North Carolina, nor to the Coliseum of North Carolina State University at Raleigh, and the other schools and colleges for higher education maintained or supported by the State, nor to the Centennial Campus of North Carolina State University at Raleigh, nor to the comprehensive student health services or the comprehensive student infirmaries maintained by the constituent institutions of the University of North Carolina.

(9) The Department of Environment and Natural Resources, except that the Department shall not construct, maintain, operate or lease a hotel or tourist inn in any park over which it has jurisdiction. The North Carolina Wildlife Resources Commission may sell wildlife memorabilia as a service to members of the public interested in wildlife conservation.

(10) Child-caring institutions or orphanages receiving State aid.

(11) Highlands School in Macon County.

(12) The North Carolina State Fair.

(13) Rural electric memberships corporations.

(13a) State Farm Operations Commission.

(13b) The Department of Agriculture and Consumer Services with regard to its lessees at farmers' markets operated by the Department.

(13c) The Western North Carolina Agricultural Center.

(14) Nothing herein contained shall be construed to prohibit the engagement in any of the activities described in subsection (a) hereof by a firm, corporation or person who or which is a lessee of space only of the State of North Carolina or any of its departments or agencies; provided the leases shall be awarded by the Department of Administration to the highest bidder, as provided by law in the case of State contracts and which lease shall be for a term of not less than one year and not more than five years.

(15) The State Department of Correction is authorized to purchase and install automobile license tag plant equipment for the purpose of manufacturing license tags for the State and local governments and for such other purposes as the Department may direct.

The Commissioner of Motor Vehicles, or such other authority as may exercise the authority to purchase automobile license tags is hereby directed to purchase from, and to contract with, the State Department of Correction for the State automobile license tag requirements from year to year.

The price to be paid to the State Department of Correction for the tags shall be fixed and agreed upon by the Governor, the State Department of Correction, and the Motor Vehicle Commissioner, or such authority as may be authorized to purchase the supplies.

(16) Laundry services performed by the Department of Correction may be provided only for agencies and instrumentalities of the State which are supported by State funds and for county or municipally controlled and supported hospitals presently being served by the Department of Correction, or for which services have been contracted or applied for in writing, as of May 22, 1973. In addition to the prior sentence, laundry services performed by the Department of Correction may be provided for the Governor Morehead School and the North Carolina School for the Deaf.

The services shall be limited to wet-washing, drying and ironing of flatwear or flat goods such as towels, sheets and bedding, linens and those uniforms prescribed for wear by the institutions and further limited to only flat goods or apparel owned, distributed or controlled entirely by the institutions and shall not include processing by any dry-cleaning methods; provided, however, those garments and items presently being serviced by wet- washing, drying and ironing may in the future, at the election of the Department of Correction, be processed by a dry-cleaning method.

(17) The North Carolina Global TransPark Authority or a lessee of the Authority.

(18) The activities and products of private enterprise carried on or manufactured within a State prison facility pursuant to G.S. 148-70."

(e) G.S. 66-58(c) reads as rewritten:

"(c) The provisions of subsection (a) shall not prohibit:

(1) The sale of products of experiment stations or test farms.

(2) The sale of learned journals, works of art, books or publications of the Department of Cultural Resources or other agencies, or the Supreme Court Reports or Session Laws of the General Assembly.

(3) The business operation of endowment funds established for the purpose of producing income for educational purposes; for purposes of this section, the phrase `operation of endowment funds' shall include the operation by public postsecondary educational institutions of campus stores, the profits from which are used exclusively for awarding scholarships to defray the expenses of students attending the institution; provided, that the operation of the stores must be approved by the board of trustees of the institution, and the merchandise sold shall be limited to educational materials and supplies, gift items and miscellaneous personal-use articles. Provided further that sales at campus stores are limited to employees of the institution and members of their immediate families, to duly enrolled students of the campus at which a campus store is located and their immediate families, to duly enrolled students of other campuses of the University of North Carolina other than the campus at which the campus store is located, to other campus stores and to other persons who are on campus other than for the purpose of purchasing merchandise from campus stores. It is the intent of this subdivision that campus stores be established and operated for the purpose of assuring the availability of merchandise described in this Article for sale to persons enumerated herein and not for the purpose of competing with stores operated in the communities surrounding the campuses of the University of North Carolina.

(4) The operation of lunch counters by the Department of Health and Human Services as blind enterprises of the type operated on January 1, 1951, in State buildings in the City of Raleigh.

(5) The operation of a snack bar and cafeteria in the State Legislative Building.

(6) The maintenance by the prison system authorities of eating and sleeping facilities at units of the State prison system for prisoners and for members of the prison staff while on duty, or the maintenance by the highway system authorities of eating and sleeping facilities for working crews on highway construction or maintenance when actually engaged in such work on parts of the highway system.

(7) The operation by penal, correctional or facilities operated by the Department of Health and Human ~~Services~~ Services, the Office of Juvenile Justice, or by the Department of Agriculture and Consumer Services, of dining rooms for the inmates or clients or members of the staff while on duty and for the accommodation of persons visiting the inmates or clients, and other bona fide visitors.

(8) The sale by the Department of Agriculture and Consumer Services of livestock, poultry and publications in keeping with its present livestock and farm program.

(9) The operation by the public schools of school cafeterias.

(9a) The use of a public school bus or public school activity bus for a purpose allowed under G.S. 115C- 242 or the use of a public school

activity bus for a purpose authorized by G.S. 115C-247.

(10) Sale by any State correctional or other institution of farm, dairy, livestock or poultry products raised or produced by it in its normal operations as authorized by the act creating it.

(11) The sale of textbooks, library books, forms, bulletins, and instructional supplies by the State Board of Education, State Department of Public Instruction, and local school authorities.

(12) The sale of North Carolina flags by or through the auspices of the Department of Administration, to the citizens of North Carolina.

(13) The operation by the Department of Correction of forestry management programs on State-owned lands, including the sale on the open market of timber cut as a part of the management program.

(14) The operation by the Department of Correction of facilities to manufacture and produce traffic and street name signs for use on the public streets and highways of the State.

(15) The operation by the Department of Correction of facilities to manufacture and produce paint for use on the public streets and highways of the State.

(16) The performance by the Department of Transportation of dredging services for a unit of local government.

(17) The sale by the State Board of Elections to political committees and candidate committees of computer software designed by or for the State Board of Elections to provide a uniform system of electronic filing of the campaign finance reports required by Article 22A of Chapter 163 of the General Statutes and to facilitate the State Board's monitoring of compliance with that Article. This computer software for electronic filing of campaign finance reports shall not exceed a cost of one hundred dollars ($100.00) to any political committee or candidate committee without the State Board of Elections first notifying in writing the Joint Legislative Commission on Governmental Operations.

(18) The leasing of no more than 50 acres within the North Carolina Zoological Park by the Department of Environment and Natural Resources to the North Carolina Zoological Society for the maintenance or operation, pursuant to a contract or otherwise, of an exhibition center, theater, conference center, and associated restaurants and lodging facilities."

(f) G.S. 114-19.6 reads as rewritten:

"§ 114-19.6. Criminal history record checks of employees of and applicants for employment with the Department of Health and Human ~~Services.~~ Services, and the Office of Juvenile Justice.

(a) Definitions. -- As used in this section, the term:

(1) `Covered person' means:

a. An applicant for employment or a current employee in a position in the Department of Health and Human Services or the Office of Juvenile Justice who provides direct care for a client, patient, student, resident or ward of the Department; or

b. Supervises positions providing direct care as outlined in sub-subdivision a. of this subdivision.

(2) `Criminal history' means a State or federal history of conviction of a crime, whether a misdemeanor or felony, that bears upon a covered

person's fitness for employment in the Department of Health and Human ~~Services.~~ Services or the Office of Juvenile Justice. The crimes include, but are not limited to, criminal offenses as set forth in any of the following Articles of Chapter 14 of the General Statutes: Article 5, Counterfeiting and Issuing Monetary Substitutes; Article 5A, Endangering Executive and Legislative Officers; Article 6, Homicide; Article 7A, Rape and Other Sex Offenses; Article 8, Assaults; Article 10, Kidnapping and Abduction; Article 13, Malicious Injury or Damage by Use of Explosive or Incendiary Device or Material; Article 14, Burglary and Other Housebreakings; Article 15, Arson and Other Burnings; Article 16, Larceny; Article 17, Robbery; Article 18, Embezzlement; Article 19, False Pretenses and Cheats; Article 19A, Obtaining Property or Services by False or Fraudulent Use of Credit Device or Other Means; Article 19B, Financial Transaction Card Crime Act; Article 20, Frauds; Article 21, Forgery; Article 26, Offenses Against Public Morality and Decency; Article 26A, Adult Establishments; Article 27, Prostitution; Article 28, Perjury; Article 29, Bribery; Article 31, Misconduct in Public Office; Article 35, Offenses Against the Public Peace; Article 36A, Riots and Civil Disorders; Article 39, Protection of Minors; Article 40, Protection of the Family; Article 59, Public Intoxication; and Article 60, Computer-Related Crime. The crimes also include possession or sale of drugs in violation of the North Carolina Controlled Substances Act, Article 5 of Chapter 90 of the General Statutes, and alcohol- related offenses such as sale to underage persons in violation of G.S. 18B-302, or driving while impaired in violation of G.S. 20-138.1 through G.S. 20-138.5.

(b) When requested by the Department of Health and Human ~~Services,~~ Services or the Office of Juvenile Justice, the North Carolina Department of Justice may provide to the Department ~~of Health and Human Services~~ or Office a covered person's criminal history from the State Repository of Criminal Histories. Such requests shall not be due to a person's age, sex, race, color, national origin, religion, creed, political affiliation, or handicapping condition as defined by G.S. 168A-3. For requests for a State criminal history record check only, the Department ~~of Health and Human Services~~ or Office shall provide to the Department of Justice a form consenting to the check signed by the covered person to be checked and any additional information required by the Department of Justice. National criminal record checks are authorized for covered applicants who have not resided in the State of North Carolina during the past five years. For national checks the Department ~~of Health and Human Services~~ or Office shall provide to the North Carolina Department of Justice the fingerprints of the covered person to be checked, any additional information required by the Department of Justice, and a form signed by the covered person to be checked consenting to the check of the criminal record and to the use of fingerprints and other identifying information required by the State or National Repositories. The fingerprints of the individual shall be forwarded to the State Bureau of Investigation for a search of the State criminal history record file and the State Bureau of Investigation shall forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history record check. The Department of Health and Human Services and the Office of Juvenile Justice shall keep all information pursuant to this section confidential. The Department of Justice shall charge a reasonable fee for conducting the checks of the criminal history records authorized by this section.

(c) All releases of criminal history information to the Department of Health and

Human Services or the Office of Juvenile Justice shall be subject to, and in compliance with, rules governing the dissemination of criminal history record checks as adopted by the North Carolina Division of Criminal Information. All of the information the Department ~~of Health and Human Services~~ or Office receives through the checking of the criminal history is privileged information and for the exclusive use of the ~~Department of Health and Human Services.~~ Department or Office.

(d) If the covered person's verified criminal history record check reveals one or more convictions covered under subsection (a) of this section, then the conviction shall constitute just cause for not selecting the person for employment, or for dismissing the person from current employment with the Department of Health and Human ~~Services.~~ Services or the Office of Juvenile Justice. The conviction shall not automatically prohibit employment; however, the following factors shall be considered by the Department ~~of Health and Human Services~~ or Office in determining whether employment shall be denied:

(1) The level and seriousness of the crime;
(2) The date of the crime;
(3) The age of the person at the time of the conviction;
(4) The circumstances surrounding the commission of the crime, if known;
(5) The nexus between the criminal conduct of the person and job duties of the person;
(6) The prison, jail, probation, parole, rehabilitation, and employment records of the person since the date the crime was committed; and
(7) The subsequent commission by the person of a crime listed in subsection (a) of this section.

(e) The Department of Health and Human Services and the Office of Juvenile Justice may deny employment to or dismiss a covered person who refuses to consent to a criminal history record check or use of fingerprints or other identifying information required by the State or National Repositories of Criminal Histories. Any such refusal shall constitute just cause for the employment denial or the dismissal from employment.

(f) The Department of Health and Human Services and the Office of Juvenile Justice may extend a conditional offer of employment pending the results of a criminal history record check authorized by this section."

(g) G.S. 115C-110 reads as rewritten:

"§ 115C-110. Services mandatory; single-agency responsibility; State and local plans; census and registration.

(a) The Board shall cause to be provided by all local school administrative units and by all other State and local governmental agencies providing special education services or having children with special needs in their care, custody, management, jurisdiction, control, or programs, special education and related services appropriate to all children with special needs. In this regard, all local school administrative units and all other State and local governmental agencies providing special education and related services shall explore available local resources and determine whether the services are currently being offered by an existing public or private agency.

When a specified special education or related service is being offered by a local public or private resource, any unit or agency described above shall negotiate for the purchase of that service or shall present full consideration of alternatives and its recommendations to the Board. In this regard, a new or additional program for special education or related services shall be developed with the approval of the Board only when that service is not being provided by existing public or private resources or the service cannot be purchased from existing providers. Further, the Board shall support and encourage joint and

collaborative special education planning and programming at local levels to include local administrative units and the programs and agencies of the Departments of Health and Human Services and ~~Correction.~~ Correction and the Office of Juvenile Justice.

The jurisdiction of the Board with respect to the design and content of special education programs or related services for children with special needs extends to and over the Department of Health and Human ~~Services~~ Services, the Office of Juvenile Justice, and the Department of Correction.

All provisions of this Article that are specifically applicable to local school administrative units also are applicable to the Department of Health and Human ~~Services~~ Services, the Office of Juvenile Justice, and the Department of Correction and their divisions and agencies; all duties, responsibilities, rights and privileges specifically imposed on or granted to local school administrative units by this Article also are imposed on or granted to the Department of Health and Human ~~Services~~ Services, the Office of Juvenile Justice, and the Department of Correction and their divisions and agencies. However, with respect to children with special needs who are residents or patients of any state-operated or state-supported residential treatment facility, including without limitation, a school for the deaf, school for the blind, mental hospital or center, mental retardation center, or in a facility operated by the Office of Juvenile Justice, the Department of Correction or any of its divisions and agencies, the Board shall have the power to contract with the Department of Health and Human ~~Services~~ Services, the Office of Juvenile Justice, and the Department of Correction for the provision of special education and related services and the power to review, revise and approve ~~said Departments'~~ any plans for special education and related services to those residents.

The Departments of Health and Human Services and Correction and the Office of Juvenile Justice shall submit to the Board their plans for the education of children with special needs in their care, custody, or control. The Board shall have general supervision and shall set standards, by rule or regulation, for the programs of special education to be administered by it, by local educational agencies, and by the Departments of Health and Human Services and ~~Correction.~~ Correction and the Office of Juvenile Justice. The Board may grant specific exemptions for programs administered by the Department of Health and Human ~~Services~~ Services, the Office of Juvenile Justice, or the Department of Correction when compliance by them with the Board's standards would, in the Board's judgment, impose undue hardship on ~~such~~ this Department or Office and when other procedural due process requirements, substantially equivalent to those of G.S. 115C-116, are assured in programs of special education and related services furnished to children with special needs served by ~~such Department.~~ this Department or Office. Further, the Board shall recognize that inpatient and residential special education programs within the Departments of Health and Human Services and Correction and the Office of Juvenile Justice may require more program resources than those necessary for optimal operation of ~~such~~ these programs in local school administrative units.

Every State and local department, division, unit or agency covered by this section is hereinafter referred to as a `local educational agency' unless the text of this Article otherwise provides.

(b) The Board shall make and keep current a plan for the implementation of the policy set forth in G.S. 115C-106(b). The plan shall include:

(1) A census of the children with special needs in the State, as required by subsection (j) of this section;

(2) A procedure for diagnosis and evaluation of each ~~such~~ child;

(3) An inventory of the personnel and facilities available to provide special education for ~~such~~ these children;

(4) An analysis of the present distribution of responsibility for special education between State and local educational agencies, together with recommendations for any necessary or desirable changes in the distribution of responsibilities;

(5) Standards for the education of children with special needs;

(6) Programs and procedures for the development and implementation of a comprehensive system of personnel development; and

(7) Any additional matters, including recommendations for amendment of laws, changes in administrative regulations, rules and practices and patterns of special organization, and changes in levels and patterns of education financial support.

(c) The Board shall annually submit amendments to or revisions of the plan required by subsection (b) to the Governor and General Assembly and make it available for public comment pursuant to subdivision (1) and for public distribution no less than 30 days before January 15 of each year. All such submissions shall set forth in detail the progress made in the implementation of the plan.

(d) The Board shall adopt rules ~~or regulations~~ covering:

(1) The qualifications of and standards for certification of teachers, teacher assistants, speech clinicians, school psychologists, and others involved in the education and training of children with special needs;

(2) Minimum standards for the individualized educational program for all children with special needs other than for the pregnant children, and for the educational program for the pregnant children, who receive special education and related services; and

(3) ~~Such~~ Any other rules ~~or regulations~~ as may be necessary or appropriate for carrying out the purposes of this Article. Representatives from the Departments of Health and Human Services and Correction and the Office of Juvenile Justice shall be involved in the development of the standards outlined under this subsection.

(e) On or before October 15, each local educational agency shall report annually to the Board the extent to which it is then providing special education for children with special needs. The annual report also shall detail the means by which the local educational agency proposes to secure full compliance with the policy of this Article, including the following:

(1) A statement of the extent to which the required education and services will be provided directly by the agency;

(2) A statement of the extent to which standards in force pursuant to G.S. 115C-110(b)(5) and (d)(2) are being met by the agency; and

(3) The means by which the agency will contract to provide, at levels meeting standards in force pursuant to G.S. 115C-110(b)(5) and (d)(2), all special education and related services not provided directly by it or by the State.

(f) After submitting the report required by subsection (e), the local educational agency also shall submit such supplemental and additional reports as the Board may require to keep the local educational agency's plan current.

(g) By ~~rule or regulation,~~ rule, the Board shall prescribe due dates not later than October 15 of each year, and all other necessary or appropriate matters relating to ~~such~~ these annual and supplemental and additional reports.

(h) The annual report shall be a two-year plan for providing appropriate special education and related services to children with special needs. The agency shall submit the

plan to the Board for its review, approval, modification, or disapproval. Unless thereafter modified with approval of the Board, the plan shall be adhered to by the local educational agency. The procedure for approving, disapproving, establishing, and enforcing the plan shall be the same as that set forth for the annual plan. The long-range plan shall include such provisions as may be appropriate for the following, without limitation:

(1) Establishment of classes, other programs of instruction, curricula, facilities, equipment, and special services for children with special needs; and

(2) Utilization and professional development of teachers and other personnel working with children with special needs.

(i) Each local educational agency shall provide free appropriate special education and related services in accordance with the provisions of this Article for all children with special needs who are residents of, or whose parents or guardians are residents of, the agency's district, beginning with children aged five. No matriculation or tuition fees or other fees or charges shall be required or asked of children with special needs or their parents or guardians except ~~such~~ those fees or charges as are required uniformly of all public school pupils. The provision of free appropriate special education within the facilities of the Department of Health and Human Services and the Office of Juvenile Justice shall not prevent that Department and Office from charging for other services or treatment.

(j) The Board shall require an annual census of children with special needs, subdivided for `identified' and `suspected' children with special needs, to be taken in each school year. Suspected children are those in the formal process of being identified, evaluated or diagnosed as children with special needs. The census shall be conducted annually and shall be completed not later than October 15, and shall be submitted to the Governor and General Assembly and be made available to the public no later than January 15 annually.

In taking the census, the Board shall require the cooperation, participation, and assistance of all local educational agencies and all other State and local governmental departments and agencies providing or required to provide special education services to children with special needs, and those departments and agencies shall cooperate and participate with and assist the Board in conducting the census.

The census shall include the number of children identified and suspected with special needs, their age, the nature of their disability, their county or city of residence, their local school administrative unit residence, whether they are being provided special educational or related services and if so by what department or agency, whether they are not being provided special education or related services, the identity of each department or agency having children with special needs in its care, custody, management, jurisdiction, control, or programs, the number of children with special needs being served by each department or agency, and such other information or data as the Board shall require. The census shall be of children with special needs between the ages of three and 21, inclusive.

(k) The Department shall monitor the effectiveness of individualized education programs in meeting the educational needs of all children with special needs other than pregnant children, and of educational programs in meeting the educational needs of the pregnant children.

(l) The Board shall provide for procedures assuring that in carrying out the requirements of this Article procedures are established for consultation with individuals involved in or concerned with the education of children with special needs, including parents or guardians of such children, and there are public hearings, adequate notice of such hearings, and an opportunity for comment available to the general public prior to the

adoption of the policies, procedures, and rules or regulations required by this Article.

(m) Children with special needs shall be educated in the least restrictive appropriate setting, as defined by the State Board of Education."

(h) G.S. 115C-111 reads as rewritten:

"§ 115C-111. Free appropriate education for all children with special needs.

No child with special needs between the ages specified by G.S. 115C-109 shall be denied a free appropriate public education or be prevented from attending the public schools of the local educational agency in which he or his parents or legal guardian resides or from which he receives services or from attending any other public program of free appropriate public education because he is a child with special needs. If it appears that a child should receive a program of free appropriate public education in a program operated by or under the supervision of the Department of Health and Human ~~Services,~~ Services or the Office of Juvenile Justice, the local educational agency shall confer with the appropriate Department of Health and Human Services or Office of Juvenile Justice staff for their participation and determination of the appropriateness of placement in said program and development of the child's individualized education program. The individualized education program may then be challenged under the due process provisions of G.S. 115C-116. Every child with special needs shall be entitled to attend ~~such~~ these nonresidential schools or programs and receive from them free appropriate public education."

(i) G.S. 115C-113(f) reads as rewritten:

"(f) Each local educational agency shall prepare individualized educational programs for all children found to be children with special needs other than the pregnant children, and educational programs prescribed in subsection (h) of this section for the pregnant children. The individualized educational program shall be developed in conformity with Public Law 94-142 and the implementing regulations issued by the United States Department of Education and shall be implemented in conformity with timeliness set by that Department. The term `individualized educational program' means a written statement for each such child developed in any meeting by a representative of the local educational agency who shall be qualified to provide, or supervise the provision of, specially designed instruction to meet the unique needs of such children, the teacher, the parents or guardian of such child, and, whenever appropriate, such child, which statement shall be based on rules developed by the Board. Each local educational agency shall establish, or revise, whichever is appropriate, the individualized educational program of each child with special needs each school year and will then review and, if appropriate revise, its provisions periodically, but not less than annually. In the facilities and programs of the Department of Health and Human ~~Services,~~ Services and the Office of Juvenile Justice, the individualized educational program shall be planned in collaboration with those other individuals responsible for the design of the total treatment or habilitation plan or both; the resulting educational, treatment, and habilitation plans shall be coordinated, integrated, and internally consistent."

(j) G.S. 115C-113.1 reads as rewritten:

"§ 115C-113.1. Surrogate parents.

In the case of a child whose parent or guardian is unknown, whose whereabouts cannot be determined after reasonable investigation, or who is a ward of the State, the local educational agency shall appoint a surrogate parent for the child. The surrogate parent shall be appointed from a group of persons approved by the Superintendent of Public ~~Instruction and~~ Instruction, the Secretary of Health and Human Services, and the Office of Juvenile Justice, but in no case shall the person appointed be an employee of the local educational agency or directly involved in the education or care of the child. The

Superintendent shall ensure that local educational agencies appoint a surrogate parent for every child in need of a surrogate parent."

(k) G.S. 115C-115 reads as rewritten:

"§ 115C-115. Placements in private schools, out-of-state schools and schools in other local educational agencies.

The board shall adopt rules and regulations to assure that:

(1) There be no cost to the parents or guardian for the placement of a child in a private school, out-of- state school or a school in another local education agency if the child was so placed by the Board or by the appropriate local educational agency as the means of carrying out the requirement of this Article or any other applicable law requiring the provision of special education and related services to children within the State.

(2) No child shall be placed by the Board or by the local educational agency in a private or out-of- state school unless the Board has determined that the school meets standards that apply to State and local educational agencies and that the child so placed will have all the rights he would have if served by a State or local educational agency.

(3) If the placement of the child in a private school, out-of-state school or a school in another local educational agency determined by the Superintendent of Public Instruction to be the most cost-effective way to provide an appropriate education to that child and the child is not currently being educated by the Department of Health and Human ~~Services~~ Services, the Office of Juvenile Justice, or the Department of Correction, the State will bear a portion of the cost of the placement of the child. The local school administrative unit shall pay an amount equal to what it receives per pupil from the State Public School Fund and from other State and federal funds for children with special needs for that child. The State shall pay the full cost of any remainder up to a maximum of fifty percent (50%) of the total cost."

(l) G.S. 115C-121(b) reads as rewritten:

"(b) The Council shall consist of ~~18~~ 23 members to be appointed as follows: five ex officio members; two members appointed by the Governor; two members of the Senate appointed by the President Pro Tempore; two members of the House of Representatives appointed by the Speaker of the House; and 12 members appointed by the State Board of Education. Of those members of the Council appointed by the State Board one member shall be selected from each congressional district within the State, and the members so selected shall be composed of at least one person representing each of the following: handicapped individuals, parents or guardians of children with special needs, teachers of children with special needs, and State and local education officials and administrators of programs for children with special needs. The Council shall designate a chairperson from among its members. The designation of the chairperson is subject to the approval of the State Board of Education. The board shall promulgate rules or regulations to carry out this subsection.

Ex officio members of the Council shall be the following:

(1) The Secretary of the Department of Health and Human Services or the Secretary's designee;

(1a) A representative of the Office of Juvenile Justice, appointed by the Governor;

(2) The Secretary of the Department of Correction or the Secretary's

designee;

(3) A representative from The University of North Carolina Planning Consortium for Children with Special Needs; and

(4) The Superintendent of Public Instruction or the Superintendent's designee.

The term of appointment for all members except those appointed by the State Board of Education shall be for two years. The term for members appointed by the State Board of Education shall be for four years. No person shall serve more than two consecutive four-year terms. The initial term of office of the person appointed from the 12th Congressional District shall commence on January 3, 1993, and expire on June 30, 1996.

Each Council member shall serve without pay, but shall receive travel allowances and per diem in the same amount provided for members of the North Carolina General Assembly."

(m) G.S. 115C-139(a) reads as rewritten:

"(a) The Board, any two or more local educational agencies and any such agency and any State department, agency, or division having responsibility for the education, treatment or habilitation of children with special needs are authorized to enter into interlocal cooperation undertakings pursuant to the provisions of Chapter 160A, Article 20, Part 1 of the General Statutes or into undertakings with a State agency such as the Office of Juvenile Justice or the Departments of Public Instruction, Health and Human Services, or Correction, or their divisions, agencies, or units, for the purpose of providing for the special education and related services, treatment or habilitation of such children within the jurisdiction of the agency or unit, and shall do so when it itself is unable to provide the appropriate public special education or related services for ~~such~~ these children. In entering into such undertakings, the local agency and State department, agency, or division shall also contract to provide the special education or related services that are most educationally appropriate to the children with special needs for whose benefit the undertaking is made, and provide ~~such~~ these services by or in the local agency unit or State department, agency, or division located in the place most convenient to ~~such~~ these children."

(n) G.S. 115C-250(a) reads as rewritten:

"(a) The State Board of Education and local boards of education may expend public funds for transportation of handicapped children with special needs who are unable because of their handicap to ride the regular school buses and who have been placed in programs by a local school board as a part of its duty to provide such children with a free appropriate education, including its duty under G.S. 115C-115. At the option of the local board of education with the concurrence of the State Board of Education, funds appropriated to the State Board of Education for contract transportation of exceptional children may be used to purchase buses and minibuses as well as for the purposes authorized in the budget. The State Board of Education shall adopt rules and regulations concerning the construction and equipment of these buses and minibuses.

The Department of Health and Human ~~Services~~ Services, the Office of Juvenile Justice, and the Department of Correction may also expend public funds for transportation of handicapped children with special needs who are unable because of their handicap to ride the regular school buses and who have been placed in programs by one of these agencies as a part of that agency's duty to provide such children with a free appropriate public education.

If a local area mental health center places a child with special needs in an educational program, the local area mental health center shall pay for the transportation of the child, if handicapped and unable because of the handicap to ride the regular school buses, to the

program."

(o) G.S. 115C-325(p) reads as rewritten:

"(p) Section Applicable to Certain Institutions. -- Notwithstanding any law or regulation to the contrary, this section shall apply to all persons employed in teaching and related educational classes in the schools and institutions of the Departments of Health and Human Services and Correction or the Office of Juvenile Justice regardless of the age of the students."

(p) G.S. 115D-1 reads as rewritten:

"§ 115D-1. Statement of purpose.

The purposes of this Chapter are to provide for the establishment, organization, and administration of a system of educational institutions throughout the State offering courses of instruction in one or more of the general areas of two-year college parallel, technical, vocational, and adult education programs, to serve as a legislative charter for such institutions, and to authorize the levying of local taxes and the issuing of local bonds for the support thereof. The major purpose of each and every institution operating under the provisions of this Chapter shall be and shall continue to be the offering of vocational and technical education and training, and of basic, high school level, academic education needed in order to profit from vocational and technical education, for students who are high school graduates or who are beyond the compulsory age limit of the public school system and who have left the public schools, provided, juveniles of any age committed to the ~~Division of Youth Services of the Department of Health and Human Services~~ Office of Juvenile Justice by a court of competent jurisdiction may, if approved by the director of the training school to which they are assigned, take courses offered by institutions of the system if they are otherwise qualified for admission."

(q) G.S. 115D-5(b) reads as rewritten:

"(b) In order to make instruction as accessible as possible to all citizens, the teaching of curricular courses and of noncurricular extension courses at convenient locations away from institution campuses as well as on campuses is authorized and shall be encouraged. A pro rata portion of the established regular tuition rate charged a full-time student shall be charged a part-time student taking any curriculum course. In lieu of any tuition charge, the State Board of Community Colleges shall establish a uniform registration fee, or a schedule of uniform registration fees, to be charged students enrolling in extension courses for which instruction is financed primarily from State funds; provided, however, that the State Board of Community Colleges may provide by general and uniform regulations for waiver of tuition and registration fees for persons not enrolled in elementary or secondary schools taking courses leading to a high school diploma or equivalent certificate, for training courses for volunteer firemen, local fire department personnel, volunteer rescue and lifesaving department personnel, local rescue and lifesaving department personnel, Radio Emergency Associated Citizens Team (REACT) members when the REACT team is under contract to a county as an emergency response agency, local law-enforcement officers, patients in State alcoholic rehabilitation centers, all full-time custodial employees of the Department of Correction, employees of the Department's Division of Adult Probation and Parole and employees of the ~~Division of Youth Services of the Department of Health and Human Services~~ Office of Juvenile Justice required to be certified pursuant to Chapter 17C of the General Statutes and the rules of the Criminal Justice and Training Standards Commission, trainees enrolled in courses conducted under the New and Expanding Industry Program, clients of sheltered workshops, clients of adult developmental activity programs, students in Health and Human Services Development Programs, juveniles of any age committed to the ~~Division of Youth Services of the Department of Health and Human Services~~ Office of Juvenile

Justice by a court of competent jurisdiction, prison inmates, and members of the North Carolina State Defense Militia as defined in G.S. 127A-5 and as administered pursuant to Article 5 of Chapter 127A of the General Statutes. Provided further, tuition shall be waived for senior citizens attending institutions operating pursuant to this Chapter as set forth in Chapter 115B of the General Statutes, Tuition Waiver for Senior Citizens. Provided further, tuition shall also be waived for all courses taken by high school students at community colleges in accordance with G.S. 115D-20(4) and this section."

(r) G.S. 122C-3(13a) reads as rewritten:

"(13a) `Eligible assaultive and violent children' means children who are citizens of North Carolina and:

a. Who suffer from emotional, mental, or neurological handicaps that have been accompanied by behavior that is characterized as violent or assaultive; and

b. Who are involuntarily institutionalized or otherwise placed in residential programs, including:

1. Minors who are mentally ill as defined by G.S. 122C-3(21) and who are admitted for evaluation or treatment to a treatment facility under Article 5 of Chapter 122C of the General Statutes or are presented for admission and denied due to their behaviors or handicapping conditions;

2. Minors who are referred to an area mental health, developmental disabilities, and substance abuse authority pursuant to ~~G.S. 7A-647(3)~~ G.S. 7B-903 for whom residential treatment or placement is recommended;

3. Minors who are placed in residential programs as a condition of probation pursuant to ~~G.S. 7A-649(8),~~ G.S. 7B-2506;

4. Minors who are ordered to a professional residential treatment program pursuant to ~~G.S. 7A-649(6),~~ G.S. 7B-2506; and

5. Minors committed to the custody of the ~~Division of Youth Services~~ Office of Juvenile Justice, pursuant to ~~G.S. 7A-649(10),~~ G.S. 7B-2506; and

c. For whom the State has not provided appropriate treatment and educational programs."

(s) G.S. 122C-113(b1) reads as rewritten:

"(b1) The Secretary shall cooperate with the State Board of Education and the Office of Juvenile Justice in coordinating the responsibilities of the Department of Health and Human Services, the State Board of Education, the Office of Juvenile Justice, and the Department of Public Instruction for adolescent substance abuse programs. The Department of Health and Human Services, through its Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, in cooperation with the Office of Juvenile Justice, shall be responsible for intervention and treatment in non-school based programs. The State Board of Education and the Department of Public ~~Instruction~~ Instruction, in consultation with the Office of Juvenile Justice, shall have primary responsibility for in-school education, identification, and intervention services, including student assistance programs."

(t) G.S. 122C-117(a) reads as rewritten:

"(a) The area authority shall:

(1) Engage in comprehensive planning, budgeting, implementing, and monitoring of community-based mental health, developmental disabilities, and substance abuse services;

(2) Provide services to clients in the catchment ~~area;~~ area, including clients committed to the custody of the Office of Juvenile Justice;

(3) Determine the needs of the area authority's clients and coordinate with the Secretary and with the Office of Juvenile Justice the provision of services to clients through area and State facilities;

(4) Develop plans and budgets for the area authority subject to the approval of the Secretary;

(5) Assure that the services provided by the area authority meet the rules of the Commission and Secretary;

(6) Comply with federal requirements as a condition of receipt of federal grants; and

(7) Appoint an area director, chosen through a search committee on which the Secretary of the Department of Health and Human Services or the Secretary's designee serves as a nonvoting member."

(u) G.S. 143-138(g) reads as rewritten:

"(g) Publication and Distribution of Code. -- The Building Code Council shall cause to be printed, after adoption by the Council, the North Carolina State Building Code and each amendment thereto. It shall, at the State's expense, distribute copies of the Code and each amendment to State and local governmental officials, departments, agencies, and educational institutions, as is set out in the table below. (Those marked by an asterisk will receive copies only on written request to the Council.)

OFFICIAL OR AGENCY	NUMBER OF COPIES
State Departments and Officials	
Governor	1
Lieutenant Governor	1
Auditor	1
Treasurer	1
Secretary of State	1
Superintendent of Public Instruction	1
Attorney General (Library)	1
Commissioner of Agriculture	1
Commissioner of Labor	1
Commissioner of Insurance	1
Department of Environment and Natural Resources	1
Department of Health and Human Services	1
Office of Juvenile Justice	1
Board of Transportation	1
Utilities Commission	1
Department of Administration	1
Clerk of the Supreme Court	1
Clerk of the Court of Appeals	1
Clerk of the Superior Court	1 each
Department of Cultural Resources [State Library]	5
Supreme Court Library	2
Legislative Library	1
Schools	
All state-supported colleges and universities in the State of North Carolina	*1 each

Local Officials
Clerks of the Superior Courts.....1 each
Chief Building Inspector of each incorporated municipality or county.....1

In addition, the Building Code Council shall make additional copies available at such price as it shall deem reasonable to members of the general public."

(v) G.S. 143B-138.1(a) reads as rewritten:

"(a) All functions, powers, duties, and obligations previously vested in the following commissions, boards, councils, committees, or subunits of the Department of Human Resources are transferred to and vested in the Department of Health and Human Services by a Type I transfer, as defined in G.S. 143A-6:

(1) Division of Aging.
(2) Division of Services for the Blind.
(3) Division of Medical Assistance.
(4) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.
(5) Division of Social Services.
(6) Division of Facility Services.
(7) Division of Vocational Rehabilitation.
~~(8) Division of Youth Services.~~
(9) Division of Services for the Deaf and the Blind.
(10) Office of Economic Opportunity.
(11) Division of Child Development.
(12) Office of Rural Health."

(w) G.S. 143B-150.7(b) reads as rewritten:

"(b) The Committee shall have 24 members appointed for staggered four-year terms and until their successors are appointed and qualify. The Governor shall have the power to remove any member of the Committee from office in accordance with the provisions of G.S. 143B-13. Members may succeed themselves for one term and may be appointed again after being off the Committee for one term. Six of the members shall be legislators appointed by the General Assembly, three of whom shall be recommended by the Speaker of the House of Representatives, and three of whom shall be recommended by the President Pro Tempore of the Senate. Two of the members shall be appointed by the General Assembly from the public at large, one of whom shall be recommended by the Speaker of the House of Representatives, and one of whom shall be recommended by the President Pro Tempore of the Senate. The remainder of the members shall be appointed by the Governor as follows:

(1) ~~Five~~ Four members representing the Department of Health and Human Services, one of whom shall be the Assistant Secretary for Children and Family, one of whom shall represent the Division of Social Services, ~~one of whom shall represent the Division of Youth Services,~~ one of whom shall represent the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, and one of whom shall represent the Division of Maternal and Child Health;
(1a) One member representing the Office of Juvenile Justice;
(2) Two members, one from each of the following: the Administrative Office of the Courts and the Department of Public Instruction;
(3) One member who represents the Juvenile Justice Planning Committee of the Governor's Crime Commission, and one member appointed at large;

(4) One member who is a district court judge certified by the Administrative Office of the Courts to hear juvenile cases;

(5) One member representing the schools of social work of The University of North Carolina;

(6) Two members, one of whom is a provider of family preservation services, and one of whom is a consumer of family preservation services; and

(7) Three members who represent county-level associations; one of whom "represents the Association of County Commissioners, one of whom represents the Association of Directors of Social Services, and one of whom represents the North Carolina Council of Mental Health, Developmental Disabilities, and Substance Abuse Services.

The Secretary of the Department of Health and Human Services shall serve as the Chair of the Committee. The Secretary shall appoint the cochair of the Committee for a two-year term on a rotating basis from among the Committee members who represent the ~~Division of Youth Services,~~ Office of Juvenile Justice, the Division of Social Services, and the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services."

(x) G.S. 143B-152.6 reads as rewritten:

"§ 143B-152.6. Cooperation of State and local agencies.

All agencies of the State and local government, including the Office of Juvenile Justice, departments of social services, health departments, local mental health, mental retardation, and substance abuse authorities, court personnel, law enforcement agencies, The University of North Carolina, the community college system, and cities and counties, shall cooperate with the Department of Health and Human Services, and local nonprofit corporations that receive grants in coordinating the program at the State level and in implementing the program at the local level. The Secretary of Health and Human Services, after consultation with the Superintendent of Public Instruction, shall develop a plan for ensuring the cooperation of State agencies and local agencies, and encouraging the cooperation of private entities, especially those receiving State funds, in the coordination and implementation of the program."

(y) G.S. 143B-152.14 reads as rewritten:

"§ 143B-152.14. Cooperation of State and local agencies.

All agencies of the State and local government, including the Office of Juvenile Justice, departments of social services, health departments, local mental health, mental retardation, and substance abuse authorities, court personnel, law enforcement agencies, The University of North Carolina, the community college system, and cities and counties, shall cooperate with the Department of Health and Human Services, and local nonprofit corporations that receive grants in coordinating the program at the State level and in implementing the program at the local level. The Secretary of Health and Human Services, after consultation with the Superintendent of Public Instruction, shall develop a plan for ensuring the cooperation of State agencies and local agencies and encouraging the cooperation of private entities, especially those receiving State funds, in the coordination and implementation of the program."

(z) G.S. 143B-153(2) reads as rewritten:

"(2) The Social Services Commission shall have the power and duty to establish standards and adopt rules and regulations:

a. For the programs of public assistance established by federal legislation and by Article 2 of Chapter 108A of the General Statutes of the State of North Carolina with the exception of the program of

medical assistance established by G.S. 108A-25(b);

b. To achieve maximum cooperation with other agencies of the State and with agencies of other states and of the federal government in rendering services to strengthen and maintain family life and to help recipients of public assistance obtain self-support and self-care;

c. For the placement and supervision of dependent juveniles and of delinquent ~~children~~ juveniles who are placed in the custody of the Office of Juvenile Justice, and payment of necessary costs of foster home care for needy and homeless children as provided by G.S. 108A-48; and

d. For the payment of State funds to private child-placing agencies as defined in G.S. 131D-10.2(4) and residential child care facilities as defined in G.S. 131D-10.2(13) for care and services provided to children who are in the custody or placement responsibility of a county department of social services."

(aa) G.S. 143B-478 reads as rewritten:

"§ 143B-478. Governor's Crime Commission -- creation; composition; terms; meetings, etc.

(a) There is hereby created the Governor's Crime Commission of the Department of Crime Control and Public Safety. The Commission shall consist of 35 voting members and ~~six~~ five nonvoting members. The composition of the Commission shall be as follows:

(1) The voting members shall be:

a. The Governor, the Chief Justice of the Supreme Court of North Carolina (or his alternate), the Attorney General, the Director of the Administrative Office of the Courts, the Secretary of the Department of Health and Human Services, the Secretary of the Department of Correction, and the Superintendent of Public Instruction;

b. A judge of superior court, a judge of district court specializing in juvenile matters, a chief district court judge, a clerk of superior court, and a district attorney;

c. A defense attorney, three sheriffs (one of whom shall be from a `high crime area'), three police executives (one of whom shall be from a `high crime area'), six citizens (two with knowledge of juvenile delinquency and the public school system, two of whom shall be under the age of 21 at the time of their appointment, one representative of a `private juvenile delinquency program,' and one in the discretion of the Governor), three county commissioners or county officials, and three mayors or municipal officials;

d. Two members of the North Carolina House of Representatives and two members of the North Carolina Senate.

(2) The nonvoting members shall be the Director of the State Bureau of Investigation, the Secretary of the Department of Crime Control and Public Safety, ~~the Director of the Division of Youth Services of the Department of Health and Human Services, the Administrator for Juvenile Services of the Administrative Office of the Courts,~~ a representative of the Office of Juvenile Justice, the Director of the Division of Prisons and the Director of the Division of Adult Probation and ~~Paroles.~~ Parole.

(b) The membership of the Commission shall be selected as follows:

(1) The following members shall serve by virtue of their office: the Governor, the Chief Justice of the Supreme Court, the Attorney General, the Director of the Administrative Office of the Courts, the Secretary of the Department of Health and Human Services, the Secretary of the Department of Correction, the Director of the State Bureau of Investigation, the Secretary of the Department of Crime Control and Public Safety, the Director of the Division of Prisons, the Director of the Division of Adult Probation and ~~Paroles,~~ Parole, the Director of the Division of Youth Services, the Administrator for Juvenile Services of the Administrative Office of the Courts, and the Superintendent of Public Instruction. Should the Chief Justice of the Supreme Court choose not to serve, his alternate shall be selected by the Governor from a list submitted by the Chief Justice which list must contain no less than three nominees from the membership of the Supreme Court.

(2) The following members shall be appointed by the Governor: the representative of the Office of Juvenile Justice, the district attorney, the defense attorney, the three sheriffs, the three police executives, the six citizens, the three county commissioners or county officials, the three mayors or municipal officials.

(3) The following members shall be appointed by the Governor from a list submitted by the Chief Justice of the Supreme Court, which list shall contain no less than three nominees for each position and which list must be submitted within 30 days after the occurrence of any vacancy in the judicial membership: the judge of superior court, the clerk of superior court, the judge of district court specializing in juvenile matters, and the chief district court judge.

(4) The two members of the House of Representatives provided by subdivision (a)(1)d. of this section shall be appointed by the Speaker of the House of Representatives and the two members of the Senate provided by subdivision (a)(1)d. of this section shall be appointed by the President Pro Tempore of the Senate. These members shall perform the advisory review of the State plan for the General Assembly as permitted by section 206 of the Crime Control Act of 1976 (Public Law 94-503).

(5) The Governor may serve as chairman, designating a vice-chairman to serve at his pleasure, or he may designate a chairman and vice-chairman both of whom shall serve at his pleasure.

(c) The initial members of the Commission shall be those appointed pursuant to subsection (b) above, which appointments shall be made by March 1, 1977. The terms of the present members of the Governor's Commission on Law and Order shall expire on February 28, 1977. Effective March 1, 1977, the Governor shall appoint members, other than those serving by virtue of their office, to serve staggered terms; seven shall be appointed for one-year terms, seven for two-year terms, and seven for three- year terms. At the end of their respective terms of office their successors shall be appointed for terms of three years and until their successors are appointed and qualified. The Commission members from the House and Senate shall serve two-year terms effective March 1, of each odd-numbered year; and they shall not be disqualified from Commission membership because of failure to seek or attain reelection to the General Assembly, but resignation or removal from office as a member of the General Assembly shall constitute resignation or

removal from the Commission. Any other Commission member no longer serving in the office from which he qualified for appointment shall be disqualified from membership on the Commission. Any appointment to fill a vacancy on the Commission created by the resignation, dismissal, death, disability, or disqualification of a member shall be for the balance of the unexpired term.

(d) The Governor shall have the power to remove any member from the Commission for misfeasance, malfeasance or nonfeasance.

(e) The Commission shall meet quarterly and at other times at the call of the chairman or upon written request of at least eight of the members. A majority of the voting members shall constitute a quorum for the transaction of business."

(bb) G.S. 147-45 reads as rewritten:

"§ 147-45. Distribution of copies of State publications.

The Secretary of State shall, at the State's expense, as soon as possible after publication, provide such number of copies of the Session Laws and Senate and House Journals to federal, State, and local governmental officials, departments and agencies, and to educational institutions of instruction and exchange use, as is set out in the table below:

Agency or Institution	Session Laws	Assembly Journals
Governor, Office of the	3	2
Lieutenant Governor, Office of the	1	1
Secretary of State, Department of the	3	3
Auditor, Department of the State	3	1
Treasurer, Department of the State	3	1
Local Government Commission	2	0
State Board of Education	1	0
Department of Public Instruction	3	1
Controller	1	0
Technical Assistance Centers	1 ea.	0
Department of Community Colleges	3	1
Justice, Department of		
Office of the Attorney General	25	3
Budget Bureau (Administration)	1	0
Property Control (Administration)	1	1
State Bureau of Investigation	1	0
Agriculture and Consumer Services, Department of	3	1
Labor, Department of	5	1
Insurance, Department of	5	1
Administration, Department of	1	1
Budget Bureau	2	1
Controller	1	0
Property Control	1	0
Purchase and Contract	2	0
Policy and Development	1	0
Veterans Affairs Commission	1	0
Environment and Natural Resources,		

Department of	6	0
Wildlife Resources Commission	2	0
Revenue, Department of	5	1
Health and Human Services, Department of	6	0
Mental Health, Developmental Disabilities, and Substance Abuse Services, Division of	1	0
Social Services, Division of	3	0
Facilities Services, Division of	1	0
~~Youth Services, Division of~~	~~1~~	~~0~~
Hospitals and Institutions	1 ea.	0
Juvenile Justice, Office of	3	0
Transportation, Department of	1	0
Board of Transportation	3	0
Motor Vehicles, Division of	1	0
Commerce, Department of	1	0
Economic Development, Division of	2	0
State Ports Authority	1	0
Alcoholic Beverage Control Commission, North Carolina	2	0
Banking Commission	2	0
Utilities Commission	8	1
Industrial Commission	7	0
Labor Force Development Council	1	0
Milk Commission	5	0
Employment Security Commission	1	1
Correction, Department of	1	0
Department of Correction	2	0
Parole Commission	2	0
State Prison	1	0
Correctional Institutions	1 ea.	0
Cultural Resources, Department of	1	0
Archives and History, Division of	5	1
State Library	5	5
Publications Division	1	1
Crime Control and Public Safety, Department of	2	1
North Carolina Crime Commission	1	0
Adjutant General	2	0
Elections, State Board of	2	0
Office of Administrative Hearings	2	0
State Personnel Commission	1	0
Office of State Personnel	1	1
Legislative Branch		
State Senators	1 ea.	1 ea.
State Representatives	1 ea.	1 ea.
Principal Clerk -- Senate	1	1
Principal Clerk -- House	1	1
Reading Clerk -- Senate	1	1
Reading Clerk -- House	1	1
Sergeant at Arms -- House	1	1

Sergeant at Arms -- Senate	1	1
Enrolling Clerk	1	0
Engrossing Clerk	1	0
Indexer of the Laws	1	0
Legislative Building Library	35	15
Judicial System		
Justices of the Supreme Court	1 ea.	1 ea.
Judges of the Court of Appeals	1 ea.	1 ea.
Judges of the Superior Court	1 ea.	0
Emergency and Special Judges of the Superior Court	1 ea.	0
District Court Judges	1 ea.	0
District Attorneys	1 ea.	0
Clerk of the Supreme Court	1	1
Clerk of the Court of Appeals	1	1
Administrative Office of the Courts	4	1
Supreme Court Library	AS MANY AS REQUESTED	
Colleges and Universities		
The University of North Carolina System Administrative Offices	3	0
University of North Carolina, Chapel Hill	65	25
University of North Carolina, Charlotte	3	1
University of North Carolina, Greensboro	3	1
University of North Carolina, Asheville	2	1
University of North Carolina, Wilmington	2	1
North Carolina State University, Raleigh	5	3
Appalachian State University	2	1
East Carolina University	3	2
Elizabeth City State University	2	1
Fayetteville State University	2	1
North Carolina Agricultural and Technical University	2	1
North Carolina Central University	5	5
Western Carolina University	2	1
University of North Carolina, Pembroke	2	1
Winston-Salem State University	2	1
North Carolina School of the Arts	1	1
Private Institutions		
Duke University	6	6
Davidson College	3	2
Wake Forest University	5	5
Lenoir Rhyne College	1	1
Elon College	1	1

Guilford College	1	1
Campbell University	5	5
Wingate College	1	1
Pfeiffer College	1	1
Barber Scotia College	1	1
Barton College	1	1
Shaw University	1	1
St. Augustine's College	1	1
~~J.~~ Johnson C. Smith University	1	1
Belmont Abbey College	1	1
Bennett College	1	1
Catawba College	1	1
Gardner-Webb College	1	1
Greensboro College	1	1
High Point ~~College~~ University	1	1
Livingstone College	1	1
Mars Hill College	1	1
Meredith College	1	1
Methodist College	1	1
North Carolina Wesleyan College	1	1
Queens College	1	1
Sacred Heart College	1	1
St. Andrews Presbyterian College	1	1
Salem College	1	1
Warren Wilson College	1	1
County and Local Officials		
Clerks of the Superior Court	1 ea.	1 ea.
Register of Deeds	1 ea.	1 ea.
Federal, Out-of-State and Foreign		
Secretary to the President	1	0
Secretary of State	1	1
Secretary of Defense	1	0
Secretary of Agriculture	1	0
Secretary of the Interior	1	0
Secretary of Labor	1	1
Secretary of Commerce	1	1
Secretary of the Treasury	1	0
Secretary of Health, Education and Welfare	1	0
Secretary of Housing and Urban Development	1	0
Secretary of Transportation	1	0
Attorney General	1	0
Postmaster General	1	0
Bureau of Census	1	0
Bureau of Public Roads	1	0
Department of Justice	1	0
Department of Internal Revenue	1	0
Veterans' Administration	1	0
Farm Credit Administration	1	0

Securities and Exchange Commission	1	0
Social Security Board	1	0
Environmental Protection Agency	1	0
Library of Congress	8	2
Federal Judges resident in North Carolina	1 ea.	0
Federal District Attorneys resident in North Carolina	1 ea.	0
Marshal of the United States Supreme Court	1	0
Federal Clerks of Court resident in North Carolina	1 ea.	0
Supreme Court Library exchange list	1 ea.	0

One copy of the Session Laws shall be furnished the head of any department of State government created in the future.

State agencies, institutions, etc., not found in or covered by this list may, upon written request from their respective department head to the Secretary of State, and upon the discretion of the Secretary of State as to need, be issued copies of the Session Laws on a permanent loan basis with the understanding that should said copies be needed they will be recalled."

(cc) G.S. 153A-217 reads as rewritten:

"§ 153A-217. Definitions.

Unless otherwise clearly required by the context, the words and phrases defined in this section have the meanings indicated when used in this Part:

(1) `Commission' means the Social Services Commission.

(2) `Secretary' means the Secretary of Health and Human Services.

(3) `Department' means the Department of Health and Human Services.

(4) `Governing body' means the governing body of a county or city or the policy-making body for a district or regional confinement facility.

(5) `Local confinement facility' includes a county or city jail, a local lockup, a regional or district jail, a juvenile detention ~~home,~~ facility, a detention facility for adults operated by a local government, and any other facility operated by a local government for confinement of persons awaiting trial or serving sentences except that it shall not include a county satellite jail/work release unit governed by Part 3 of Article 10 of Chapter 153A.

(6) `Prisoner' includes any person, adult or juvenile, confined or detained in a confinement facility.

(7) `Unit,' `unit of local government,' or `local government' means a county or city."

(dd) G.S. 153A-218 reads as rewritten:

"§ 153A-218. County confinement facilities.

A county may establish, acquire, erect, repair, maintain, and operate local confinement facilities and may for these purposes appropriate funds not otherwise limited as to use by law. A juvenile detention facility may be located in the same facility as a county jail provided that the juvenile detention facility meets the requirements of this Article and G.S. 147-33.40."

PART III. RECODIFICATION OF THE JUVENILE CODE

Section 5. Subchapter XI, Articles 41 through 59 of Chapter 7A of the General Statutes, the North Carolina Juvenile Code, Articles 24B and 39 of Chapter 7A of the

General Statutes, Articles 2A, 4, 4A, and 10 of Chapter 110 of the General Statutes, Article 62 of Chapter 143 of the General Statutes, and G.S. 7A-289.13 are repealed.

Section 6. The General Statutes are amended by adding a new Chapter to read:

"Chapter 7B.

"Juvenile Code.

"SUBCHAPTER I. ABUSE, NEGLECT, DEPENDENCY.

"ARTICLE 1.

"Purposes; Definitions.

"§ 7B-100. Purpose.

This Subchapter shall be interpreted and construed so as to implement the following purposes and policies:

(1) To provide procedures for the hearing of juvenile cases that assure fairness and equity and that protect the constitutional rights of juveniles and parents;

(2) To develop a disposition in each juvenile case that reflects consideration of the facts, the needs and limitations of the juvenile, and the strengths and weaknesses of the family;

(3) To provide for services for the protection of juveniles by means that respect both the right to family autonomy and the juveniles' needs for safety, continuity, and permanence; and

(4) To provide standards for the removal, when necessary, of juveniles from their homes and for the return of juveniles to their homes consistent with preventing the unnecessary or inappropriate separation of juveniles from their parents.

"§ 7B-101. Definitions.

As used in this Subchapter, unless the context clearly requires otherwise, the following words have the listed meanings:

(1) Abused juveniles. -- Any juvenile less than 18 years of age whose parent, guardian, custodian, or caretaker:

a. Inflicts or allows to be inflicted upon the juvenile a serious physical injury by other than accidental means;

b. Creates or allows to be created a substantial risk of serious physical injury to the juvenile by other than accidental means;

c. Uses or allows to be used upon the juvenile cruel or grossly inappropriate procedures or cruel or grossly inappropriate devices to modify behavior;

d. Commits, permits, or encourages the commission of a violation of the following laws by, with, or upon the juvenile: first-degree rape as provided in G.S. 14-27.2; second degree rape as provided in G.S. 14-27.3; first-degree sexual offense as provided in G.S. 14-27.4; second degree sexual offense as provided in G.S. 14-27.5; sexual act by a custodian as provided in G.S. 14-27.7; crime against nature as provided in G.S. 14-177; incest as provided in G.S. 14-178 and G.S. 14-179; preparation of obscene photographs, slides, or motion pictures of the juvenile as provided in G.S. 14-190.5; employing or permitting the juvenile to assist in a violation of the obscenity laws as provided in G.S. 14-190.6; dissemination of obscene material to the juvenile as provided in G.S. 14-190.7 and G.S. 14-190.8; displaying or disseminating material harmful to the juvenile as provided in G.S. 14-190.14 and G.S. 14-190.15; first and second

degree sexual exploitation of the juvenile as provided in G.S. 14-190.16 and G.S. 14-190.17; promoting the prostitution of the juvenile as provided in G.S. 14-190.18; and taking indecent liberties with the juvenile as provided in G.S. 14-202.1, regardless of the age of the parties;

e. Creates or allows to be created serious emotional damage to the juvenile. Serious emotional damage is evidenced by a juvenile's severe anxiety, depression, withdrawal, or aggressive behavior toward himself or others; or

f. Encourages, directs, or approves of delinquent acts involving moral turpitude committed by the juvenile.

(2) Caretaker. -- Any person other than a parent, guardian, or custodian who has responsibility for the health and welfare of a juvenile in a residential setting. A person responsible for a juvenile's health and welfare means a stepparent, foster parent, an adult member of the juvenile's household, an adult relative entrusted with the juvenile's care, or any person such as a house parent or cottage parent who has primary responsibility for supervising a juvenile's health and welfare in a residential child care facility or residential educational facility. `Caretaker' also means any person who has the responsibility for the care of a juvenile in a child care facility as defined in Article 7 of Chapter 110 of the General Statutes and includes any person who has the approval of the care provider to assume responsibility for the juveniles under the care of the care provider. Nothing in this subdivision shall be construed to impose a legal duty of support under Chapter 50 or Chapter 110 of the General Statutes. The duty imposed upon a caretaker as defined in this subdivision shall be for the purpose of this Subchapter only.

(3) Clerk. -- Any clerk of superior court, acting clerk, or assistant or deputy clerk.

(4) Community-based program. -- A program providing nonresidential or residential treatment to a juvenile in the community where the juvenile's family lives. A community-based program may include specialized foster care, family counseling, shelter care, and other appropriate treatment.

(5) Court. -- The district court division of the General Court of Justice.

(6) Custodian. -- The person or agency that has been awarded legal custody of a juvenile by a court.

(7) Dependent juvenile. -- A juvenile in need of assistance or placement because the juvenile has no parent, guardian, or custodian responsible for the juvenile's care or supervision or whose parent, guardian, or custodian is unable to provide for the care or supervision and lacks an appropriate alternative child care arrangement.

(8) Director. -- The director of the county department of social services in the county in which the juvenile resides or is found or the director's representative as authorized in G.S. 108A-14.

(9) District. -- Any district court district as established by G.S. 7A-133.

(10) Judge. -- Any district court judge.

(11) Judicial district. -- Any district court district as established by G.S. 7A-133.

(12) Juvenile. -- A person who has not reached the person's eighteenth

birthday and is not married, emancipated, or a member of the armed forces of the United States.

(13) Neglected juvenile. -- A juvenile who does not receive proper care, supervision, or discipline from the juvenile's parent, guardian, custodian, or caretaker; or who has been abandoned; or who is not provided necessary medical care; or who is not provided necessary remedial care; or who lives in an environment injurious to the juvenile's welfare; or who has been placed for care or adoption in violation of law. In determining whether a juvenile is a neglected juvenile, it is relevant whether that juvenile lives in a home where another juvenile has been subjected to abuse or neglect by an adult who regularly lives in the home.

(14) Petitioner. -- The individual who initiates court action, whether by the filing of a petition or of a motion for review alleging the matter for adjudication.

(15) Prosecutor. -- The district attorney or assistant district attorney assigned by the district attorney to juvenile proceedings.

(16) Reasonable efforts. -- The diligent use of preventive or reunification services by a department of social services when a juvenile's remaining at home or returning home is consistent with achieving a safe, permanent home for the juvenile within a reasonable period of time.

(17) Safe home. -- A home in which the juvenile is not at substantial risk of physical or emotional abuse or neglect.

(18) Shelter care. -- The temporary care of a juvenile in a physically unrestricting facility pending court disposition.

The singular includes the plural, the masculine singular includes the feminine singular and masculine and feminine plural unless otherwise specified.

"ARTICLE 2.

"Jurisdiction.

"§ 7B-200. Jurisdiction.

(a) The court has exclusive, original jurisdiction over any case involving a juvenile who is alleged to be abused, neglected, or dependent. This jurisdiction does not extend to cases involving adult defendants alleged to be guilty of abuse or neglect.

The court also has exclusive original jurisdiction of the following proceedings:

(1) Proceedings under the Interstate Compact on the Placement of Children set forth in Article 38 of this Chapter;

(2) Proceedings involving judicial consent for emergency surgical or medical treatment for a juvenile when the juvenile's parent, guardian, custodian, or other person who has assumed the status and obligation of a parent without being awarded legal custody of the juvenile by a court refuses to consent for treatment to be rendered;

(3) Proceedings to determine whether a juvenile should be emancipated;

(4) Proceedings to terminate parental rights;

(5) Proceedings to review the placement of a juvenile in foster care pursuant to an agreement between the juvenile's parents or guardian and a county department of social services;

(6) Proceedings in which a person is alleged to have obstructed or interfered with an investigation required by G.S. 7B-302; and

(7) Proceedings involving consent for an abortion on an unemancipated minor pursuant to Article 1A, Part 2 of Chapter 90 of the General

Statutes.

(b) The court shall have jurisdiction over the parent or guardian of a juvenile who has been adjudicated abused, neglected, or dependent, as provided by G.S. 7B-904, provided the parent or guardian has been properly served with summons pursuant to G.S. 7B-406.

"§ 7B-201. Retention of jurisdiction.

When the court obtains jurisdiction over a juvenile, jurisdiction shall continue until terminated by order of the court or until the juvenile reaches the age of 18 years or is otherwise emancipated, whichever occurs first.

"ARTICLE 3.

"Screening of Abuse and Neglect Complaints.

"§ 7B-300. Protective services.

The director of the department of social services in each county of the State shall establish protective services for juveniles alleged to be abused, neglected, or dependent.

Protective services shall include the investigation and screening of complaints, casework, or other counseling services to parents, guardians, or other caretakers as provided by the director to help the parents, guardians, or other caretakers and the court to prevent abuse or neglect, to improve the quality of child care, to be more adequate parents, guardians, or caretakers, and to preserve and stabilize family life.

The provisions of this Article shall also apply to child care facilities as defined in G.S. 110-86.

"§ 7B-301. Duty to report abuse, neglect, dependency, or death due to maltreatment.

Any person or institution who has cause to suspect that any juvenile is abused, neglected, or dependent, as defined by G.S. 7B-101, or has died as the result of maltreatment, shall report the case of that juvenile to the director of the department of social services in the county where the juvenile resides or is found. The report may be made orally, by telephone, or in writing. The report shall include information as is known to the person making it including the name and address of the juvenile; the name and address of the juvenile's parent, guardian, or caretaker; the age of the juvenile; the names and ages of other juveniles in the home; the present whereabouts of the juvenile if not at the home address; the nature and extent of any injury or condition resulting from abuse, neglect, or dependency; and any other information which the person making the report believes might be helpful in establishing the need for protective services or court intervention. If the report is made orally or by telephone, the person making the report shall give the person's name, address, and telephone number. Refusal of the person making the report to give a name shall not preclude the department's investigation of the alleged abuse, neglect, dependency, or death as a result of maltreatment.

Upon receipt of any report of sexual abuse of the juvenile in a child care facility, the director shall notify the State Bureau of Investigation within 24 hours or on the next workday. If sexual abuse in a child care facility is not alleged in the initial report, but during the course of the investigation there is reason to suspect that sexual abuse has occurred, the director shall immediately notify the State Bureau of Investigation. Upon notification that sexual abuse may have occurred in a child care facility, the State Bureau of Investigation may form a task force to investigate the report.

"§ 7B-302. Investigation by director; access to confidential information; notification of person making the report.

When a report of abuse, neglect, or dependency is received, the director of the department of social services shall make a prompt and thorough investigation in order to ascertain the facts of the case, the extent of the abuse or neglect, and the risk of harm to the juvenile, in order to determine whether protective services should be provided or the complaint filed as a petition. When the report alleges abuse, the director shall

immediately, but no later than 24 hours after receipt of the report, initiate the investigation. When the report alleges neglect or dependency, the director shall initiate the investigation within 72 hours following receipt of the report. The investigation and evaluation shall include a visit to the place where the juvenile resides. All information received by the department of social services, including the identity of the reporter, shall be held in strictest confidence by the department.

When a report of suspected abuse, neglect, or dependency of a juvenile is received, the director of the department of social services shall immediately ascertain if other juveniles remain in the home, and, if so, initiate an investigation in order to determine whether they require protective services or whether immediate removal of the juveniles from the home is necessary for their protection.

If the investigation indicates that abuse, neglect, or dependency has occurred, the director shall decide whether immediate removal of the juvenile or any other juveniles in the home is necessary for their protection. If immediate removal does not seem necessary, the director shall immediately provide or arrange for protective services. If the parent, guardian, or other caretaker refuses to accept the protective services provided or arranged by the director, the director shall sign a complaint seeking to invoke the jurisdiction of the court for the protection of the juvenile or juveniles.

If immediate removal seems necessary for the protection of the juvenile or other juveniles in the home, the director shall sign a complaint which alleges the applicable facts to invoke the jurisdiction of the court. Where the investigation shows that it is warranted, a protective services worker may assume temporary custody of the juvenile for the juvenile's protection pursuant to Article 5 of this Chapter.

In performing any duties related to the investigation of the complaint or the provision or arrangement for protective services, the director may consult with any public or private agencies or individuals, including the available State or local law enforcement officers who shall assist in the investigation and evaluation of the seriousness of any report of abuse, neglect, or dependency when requested by the director. The director or the director's representative may make a written demand for any information or reports, whether or not confidential, that may in the director's opinion be relevant to the investigation of or the provision for protective services. Upon the director's or the director's representative's request and unless protected by the attorney-client privilege, any public or private agency or individual shall provide access to and copies of this confidential information and these records to the extent permitted by federal law and regulations. If a custodian of criminal investigative information or records believes that release of the information will jeopardize the right of the State to prosecute a defendant or the right of a defendant to receive a fair trial or will undermine an ongoing or future investigation, it may seek an order from a court of competent jurisdiction to prevent disclosure of the information. In such an action, the custodian of the records shall have the burden of showing by a preponderance of the evidence that disclosure of the information in question will jeopardize the right of the State to prosecute a defendant or the right of a defendant to receive a fair trial or will undermine an ongoing or future investigation. Actions brought pursuant to this paragraph shall be set down for immediate hearing, and subsequent proceedings in the actions shall be accorded priority by the trial and appellate courts.

Within five working days after receipt of the report of abuse, neglect, or dependency, the director shall give written notice to the person making the report, unless requested by that person not to give notice, as to whether the report was accepted for investigation and whether the report was referred to the appropriate State or local law enforcement agency.

Within five working days after completion of the protective services investigation, the

director shall give subsequent written notice to the person making the report, unless requested by that person not to give notice, as to whether there is a finding of abuse, neglect, or dependency, whether the county department of social services is taking action to protect the juvenile, and what action it is taking, including whether or not a petition was filed. The person making the report shall be informed of procedures necessary to request a review by the prosecutor of the director's decision not to file a petition. A request for review by the prosecutor shall be made within five working days of receipt of the second notification. The second notification shall include notice that, if the person making the report is not satisfied with the director's decision, the person may request review of the decision by the prosecutor within five working days of receipt. The person making the report may waive the person's right to this notification, and no notification is required if the person making the report does not identify himself to the director.

"§ 7B-303. Interference with investigation.

(a) If any person obstructs or interferes with an investigation required by G.S. 7B-302, the director may file a petition naming said person as respondent and requesting an order directing the respondent to cease such obstruction or interference. The petition shall contain the name and date of birth and address of the juvenile who is the subject of the investigation, shall specifically describe the conduct alleged to constitute obstruction of or interference with the investigation, and shall be verified.

(b) For purposes of this section, obstruction of or interference with an investigation means refusing to disclose the whereabouts of the juvenile, refusing to allow the director to have personal access to the juvenile, refusing to allow the director to observe or interview the juvenile in private, refusing to allow the director access to confidential information and records upon request pursuant to G.S. 7B-302, refusing to allow the director to arrange for an evaluation of the juvenile by a physician or other expert, or other conduct that makes it impossible for the director to carry out the duty to investigate.

(c) Upon filing of the petition, the court shall schedule a hearing to be held not less than five days after service of the petition and summons on the respondent. Service of the petition and summons and notice of hearing shall be made as provided by the Rules of Civil Procedure on the respondent; the juvenile's parent, guardian, custodian, or caretaker; and any other person determined by the court to be a necessary party. If at the hearing on the petition the court finds by clear, cogent, and convincing evidence that the respondent, without lawful excuse, has obstructed or interfered with an investigation required by G.S. 7B-302, the court may order the respondent to cease such obstruction or interference. The burden of proof shall be on the petitioner.

(d) If the director has reason to believe that the juvenile is in need of immediate protection or assistance, the director shall so allege in the petition and may seek an ex parte order from the court. If the court, from the verified petition and any inquiry the court makes of the director, finds probable cause to believe both that the juvenile is at risk of immediate harm and that the respondent is obstructing or interfering with the director's ability to investigate to determine the juvenile's condition, the court may enter an ex parte order directing the respondent to cease such obstruction or interference. The order shall be limited to provisions necessary to enable the director to conduct an investigation sufficient to determine whether the juvenile is in need of immediate protection or assistance. Within 10 days after the entry of an ex parte order under this subsection, a hearing shall be held to determine whether there is good cause for the continuation of the order or the entry of a different order. An order entered under this subsection shall be served on the respondent along with a copy of the petition, summons, and notice of hearing.

(e) The director may be required at a hearing under this section to reveal the identity

of any person who made a report of suspected abuse, neglect, or dependency as required by G.S. 7B- 301.

(f) An order entered pursuant to this section is enforceable by civil or criminal contempt as provided in Chapter 5A of the General Statutes.

"§ 7B-304. Evaluation for court.

In all cases in which a petition is filed, the director of the department of social services shall prepare a report for the court containing a home placement plan and a treatment plan deemed by the director to be appropriate to the needs of the juvenile. The report shall be available to the court immediately following the adjudicatory hearing.

"§ 7B-305. Request for review by prosecutor.

The person making the report shall have five working days, from receipt of the decision of the director of the department of social services not to petition the court, to notify the prosecutor that the person is requesting a review. The prosecutor shall notify the person making the report and the director of the time and place for the review, and the director shall immediately transmit to the prosecutor a copy of the investigation report.

"§ 7B-306. Review by prosecutor.

The prosecutor shall review the director's determination that a petition should not be filed within 20 days after the person making the report is notified. The review shall include conferences with the person making the report, the protective services worker, the juvenile, if practicable, and other persons known to have pertinent information about the juvenile or the juvenile's family. At the conclusion of the conferences, the prosecutor may affirm the decision made by the director, may request the appropriate local law enforcement agency to investigate the allegations, or may direct the director to file a petition.

"§ 7B-307. Duty of director to report evidence of abuse, neglect; investigation by local law enforcement; notification of Department of Health and Human Services and State Bureau of Investigation.

(a) If the director finds evidence that a juvenile may have been abused as defined by G.S. 7B-101, the director shall make an immediate oral and subsequent written report of the findings to the district attorney or the district attorney's designee and the appropriate local law enforcement agency within 48 hours after receipt of the report. The local law enforcement agency shall immediately, but no later than 48 hours after receipt of the information, initiate and coordinate a criminal investigation with the protective services investigation being conducted by the county department of social services. Upon completion of the investigation, the district attorney shall determine whether criminal prosecution is appropriate and may request the director or the director's designee to appear before a magistrate.

If the director receives information that a juvenile may have been physically harmed in violation of any criminal statute by any person other than the juvenile's parent, guardian, custodian, or caretaker, the director shall make an immediate oral and subsequent written report of that information to the district attorney or the district attorney's designee and to the appropriate local law enforcement agency within 48 hours after receipt of the information. The local law enforcement agency shall immediately, but no later than 48 hours after receipt of the information, initiate a criminal investigation. Upon completion of the investigation, the district attorney shall determine whether criminal prosecution is appropriate.

If the report received pursuant to G.S. 7B-301 involves abuse or neglect of a juvenile in child care, the director shall notify the Department of Health and Human Services within 24 hours or on the next working day of receipt of the report.

(b) If the director finds evidence that a juvenile has been abused or neglected as

defined by G.S. 7B-101 in a child care facility, the director shall immediately so notify the Department of Health and Human Services and, in the case of sexual abuse, the State Bureau of Investigation, in such a way as does not violate the law guaranteeing the confidentiality of the records of the department of social services.

(c) Upon completion of the investigation, the director shall give the Department written notification of the results of the investigation required by G.S. 7B-302. Upon completion of an investigation of sexual abuse in a child care facility, the director shall also make written notification of the results of the investigation to the State Bureau of Investigation.

The director of the department of social services shall submit a report of alleged abuse, neglect, or dependency cases or child fatalities that are the result of alleged maltreatment to the central registry under the policies adopted by the Social Services Commission.

"§ 7B-308. Authority of medical professionals in abuse cases.

(a) Any physician or administrator of a hospital, clinic, or other medical facility to which a suspected abused juvenile is brought for medical diagnosis or treatment shall have the right, when authorized by the chief district court judge of the district or the judge's designee, to retain physical custody of the juvenile in the facility when the physician who examines the juvenile certifies in writing that the juvenile who is suspected of being abused should remain for medical treatment or that, according to the juvenile's medical evaluation, it is unsafe for the juvenile to return to the juvenile's parent, guardian, custodian, or caretaker. This written certification must be signed by the certifying physician and must include the time and date that the judicial authority to retain custody is given. Copies of the written certification must be appended to the juvenile's medical and judicial records and another copy must be given to the juvenile's parent, guardian, custodian, or caretaker. The right to retain custody in the facility shall exist for up to 12 hours from the time and date contained in the written certification.

(b) Immediately upon receipt of judicial authority to retain custody, the physician, the administrator, or that person's designee shall so notify the director of social services for the county in which the facility is located. The director shall treat this notification as a report of suspected abuse and shall immediately begin an investigation of the case.

(1) If the investigation reveals (i) that it is the opinion of the certifying physician that the juvenile is in need of medical treatment to cure or alleviate physical distress or to prevent the juvenile from suffering serious physical injury, and (ii) that it is the opinion of the physician that the juvenile should for these reasons remain in the custody of the facility for 12 hours, but (iii) that the juvenile's parent, guardian, custodian, or caretaker cannot be reached or, upon request, will not consent to the treatment within the facility, the director shall within the initial 12-hour period file a juvenile petition alleging abuse and setting forth supporting allegations and shall seek a nonsecure custody order. A petition filed and a nonsecure custody order obtained in accordance with this subdivision shall come on for hearing under the regular provisions of this Subchapter unless the director and the certifying physician together voluntarily dismiss the petition.

(2) In all cases except those described in subdivision (1) above, the director shall conduct the investigation and may initiate juvenile proceedings and take all other steps authorized by the regular provisions of this Subchapter. If the director decides not to file a petition, the physician, the administrator, or that person's designee may ask the prosecutor to

review this decision according to the provisions of G.S. 7B-305 and G.S. 7B-306.

(c) If, upon hearing, the court determines that the juvenile is found in a county other than the county of legal residence, in accord with G.S. 153A-257, the juvenile may be transferred, in accord with G.S. 7B-903(2), to the custody of the department of social services in the county of residence.

(d) If the court, upon inquiry, determines that the medical treatment rendered was necessary and appropriate, the cost of that treatment may be charged to the parents, guardian, custodian, or caretaker, or, if the parents are unable to pay, to the county of residence in accordance with G.S. 7B-903 and G.S. 7B-904.

(e) Except as otherwise provided, a petition begun under this section shall proceed in like manner with petitions begun under G.S. 7B-302.

(f) The procedures in this section are in addition to, and not in derogation of, the abuse and neglect reporting provisions of G.S. 7B-301 and the temporary custody provisions of G.S. 7B-500. Nothing in this section shall preclude a physician or administrator and a director of social services from following the procedures of G.S. 7B-301 and G.S. 7B-500 whenever these procedures are more appropriate to the juvenile's circumstances.

"§ 7B-309. Immunity of persons reporting and cooperating in an investigation.

Anyone who makes a report pursuant to this Article, cooperates with the county department of social services in a protective services inquiry or investigation, testifies in any judicial proceeding resulting from a protective services report or investigation, or otherwise participates in the program authorized by this Article, is immune from any civil or criminal liability that might otherwise be incurred or imposed for that action provided that the person was acting in good faith. In any proceeding involving liability, good faith is presumed.

"§ 7B-310. Privileges not grounds for failing to report or for excluding evidence.

No privilege shall be grounds for any person or institution failing to report that a juvenile may have been abused, neglected, or dependent, even if the knowledge or suspicion is acquired in an official professional capacity, except when the knowledge or suspicion is gained by an attorney from that attorney's client during representation only in the abuse, neglect, or dependency case. No privilege, except the attorney- client privilege, shall be grounds for excluding evidence of abuse, neglect, or dependency in any judicial proceeding (civil, criminal, or juvenile) in which a juvenile's abuse, neglect, or dependency is in issue nor in any judicial proceeding resulting from a report submitted under this Article, both as this privilege relates to the competency of the witness and to the exclusion of confidential communications.

"§ 7B-311. Central registry.

The Department of Health and Human Services shall maintain a central registry of abuse, neglect, and dependency cases and child fatalities that are the result of alleged maltreatment that are reported under this Article in order to compile data for appropriate study of the extent of abuse and neglect within the State and to identify repeated abuses of the same juvenile or of other juveniles in the same family. This data shall be furnished by county directors of social services to the Department of Health and Human Services and shall be confidential, subject to policies adopted by the Social Services Commission providing for its use for study and research and for other appropriate disclosure. Data shall not be used at any hearing or court proceeding unless based upon a final judgment of a court of law.

"ARTICLE 4.

"Venue; Petitions.

"**§ 7B-400. Venue; pleading.**

A proceeding in which a juvenile is alleged to be abused, neglected, or dependent may be commenced in the district in which the juvenile resides or is present. When a proceeding is commenced in a district other than that of the juvenile's residence, the court, on its own motion or upon motion of any party, may transfer the proceeding to the court in the district where the juvenile resides. A transfer under this section may be made at any time.

"**§ 7B-401. Pleading and process.**

The pleading in an abuse, neglect, or dependency action is the petition. The process in an abuse, neglect, or dependency action is the summons.

"**§ 7B-402. Petition.**

The petition shall contain the name, date of birth, address of the juvenile, the name and last known address of the juvenile's parent, guardian, or custodian and shall allege the facts which invoke jurisdiction over the juvenile. The petition may contain information on more than one juvenile when the juveniles are from the same home and are before the court for the same reason.

Sufficient copies of the petition shall be prepared so that copies will be available for each parent if living separate and apart, the guardian, custodian, or caretaker, the guardian ad litem, the social worker, and any person determined by the court to be a necessary party.

"**§ 7B-403. Receipt of reports; filing of petition.**

(a) All reports concerning a juvenile alleged to be abused, neglected, or dependent shall be referred to the director of the department of social services for screening. Thereafter, if it is determined by the director that a report should be filed as a petition, the petition shall be drawn by the director, verified before an official authorized to administer oaths, and filed by the clerk, recording the date of filing.

(b) A decision of the director of social services not to file a report as a petition shall be reviewed by the prosecutor if review is requested pursuant to G.S. 7B-305.

"**§ 7B-404. Immediate need for petition when clerk's office is closed.**

(a) When the office of the clerk is closed, a magistrate may be authorized by the chief district court judge to draw, verify, and issue petitions as follows:

(1) When the director of the department of social services requests a petition alleging a juvenile to be abused, neglected, or dependent, or

(2) When the director of the department of social services requests a petition alleging the obstruction of or interference with an investigation required by G.S. 7B-302.

(b) The authority of the magistrate under this section is limited to emergency situations when a petition is required in order to obtain a nonsecure custody order or an order under G.S. 7B-303. Any petition issued under this section shall be delivered to the clerk's office for processing as soon as that office is open for business.

"**§ 7B-405. Commencement of action.**

An action is commenced by the filing of a petition in the clerk's office when that office is open or by the issuance of a juvenile petition by a magistrate when the clerk's office is closed, which issuance shall constitute filing.

"**§ 7B-406. Issuance of summons.**

(a) Immediately after a petition has been filed alleging that a juvenile is abused, neglected, or dependent, the clerk shall issue a summons to the parent, guardian, custodian, or caretaker requiring them to appear for a hearing at the time and place stated in the summons. A copy of the petition shall be attached to each summons.

(b) A summons shall be on a printed form supplied by the Administrative Office of

the Courts and shall include:

(1) Notice of the nature of the proceeding;

(2) Notice of any right to counsel and information about how to seek the appointment of counsel prior to a hearing;

(3) Notice that, if the court determines at the hearing that the allegations of the petition are true, the court will conduct a dispositional hearing to consider the needs of the juvenile and enter an order designed to meet those needs and the objectives of the State; and

(4) Notice that the dispositional order or a subsequent order:

a. May remove the juvenile from the custody of the parent, guardian, or custodian.

b. May require that the juvenile receive medical, psychiatric, psychological, or other treatment and that the parent participate in the treatment.

c. May require the parent to undergo psychiatric, psychological, or other treatment or counseling for the purpose of remedying the behaviors or conditions that are alleged in the petition or that contributed to the removal of the juvenile from the custody of that person.

d. May order the parent to pay for treatment that is ordered for the juvenile or the parent.

(c) The summons shall advise the parent that upon service, jurisdiction over that person is obtained and that failure to comply with any order of the court pursuant to G.S. 7B-904 may cause the court to issue a show cause order for contempt.

(d) A summons shall be directed to the person summoned to appear and shall be delivered to any person authorized to serve process.

"§ 7B-407. Service of summons.

The summons shall be personally served upon the parent, guardian, custodian, or caretaker, not less than five days prior to the date of the scheduled hearing. The time for service may be waived in the discretion of the court.

If the parent, guardian, custodian, or caretaker entitled to receive a summons cannot be found by a diligent effort, the court may authorize service of the summons and petition by mail or by publication. The cost of the service by publication shall be advanced by the petitioner and may be charged as court costs as the court may direct.

If the parent, guardian, custodian, or caretaker is personally served as herein provided and fails without reasonable cause to appear and to bring the juvenile before the court, the parent, guardian, custodian, or caretaker may be proceeded against as for contempt of court.

"ARTICLE 5.

"Temporary Custody; Nonsecure Custody; Custody Hearings.

"§ 7B-500. Taking a juvenile into temporary custody.

Temporary custody means the taking of physical custody and providing personal care and supervision until a court order for nonsecure custody can be obtained. A juvenile may be taken into temporary custody without a court order by a law enforcement officer or a department of social services worker if there are reasonable grounds to believe that the juvenile is abused, neglected, or dependent and that the juvenile would be injured or could not be taken into custody if it were first necessary to obtain a court order. If a department of social services worker takes a juvenile into temporary custody under this section, the worker may arrange for the placement, care, supervision, and transportation of the juvenile.

"§ 7B-501. Duties of person taking juvenile into temporary custody.

(a) A person who takes a juvenile into custody without a court order under G.S. 7B-500 shall proceed as follows:

(1) Notify the juvenile's parent, guardian, custodian, or caretaker that the juvenile has been taken into temporary custody and advise the parent, guardian, custodian, or caretaker of the right to be present with the juvenile until a determination is made as to the need for nonsecure custody. Failure to notify the parent that the juvenile is in custody shall not be grounds for release of the juvenile.

(2) Release the juvenile to the juvenile's parent, guardian, custodian, or caretaker if the person having the juvenile in temporary custody decides that continued custody is unnecessary.

(3) The person having temporary custody shall communicate with the director of the department of social services who shall consider prehearing diversion. If the decision is made to file a petition, the director shall contact the judge or person delegated authority pursuant to G.S. 7B-502 for a determination of the need for continued custody.

(b) A juvenile taken into temporary custody under this Article shall not be held for more than 12 hours, or for more than 24 hours if any of the 12 hours falls on a Saturday, Sunday, or legal holiday, unless:

(1) A petition or motion for review has been filed by the director of the department of social services, and

(2) An order for nonsecure custody has been entered by the court.

"§ 7B-502. Authority to issue custody orders; delegation.

In the case of any juvenile alleged to be within the jurisdiction of the court, the court may order that the juvenile be placed in nonsecure custody pursuant to criteria set out in G.S. 7B-503 when custody of the juvenile is necessary.

Any district court judge shall have the authority to issue nonsecure custody orders pursuant to G.S. 7B-503. The chief district court judge may delegate the court's authority to persons other than district court judges by administrative order which shall be filed in the office of the clerk of superior court. The administrative order shall specify which persons shall be contacted for approval of a nonsecure custody order pursuant to G.S. 7B-503.

"§ 7B-503. Criteria for nonsecure custody.

When a request is made for nonsecure custody, the court shall first consider release of the juvenile to the juvenile's parent, relative, guardian, custodian, or other responsible adult. An order for nonsecure custody shall be made only when there is a reasonable factual basis to believe the matters alleged in the petition are true, and

(1) The juvenile has been abandoned; or

(2) The juvenile has suffered physical injury or sexual abuse; or

(3) The juvenile is exposed to a substantial risk of physical injury or sexual abuse because the parent, guardian, custodian, or caretaker has created the conditions likely to cause injury or abuse or has failed to provide, or is unable to provide, adequate supervision or protection; or

(4) The juvenile is in need of medical treatment to cure, alleviate, or prevent suffering serious physical harm which may result in death, disfigurement, or substantial impairment of bodily functions, and the juvenile's parent, guardian, custodian, or caretaker is unwilling or unable to provide or consent to the medical treatment; or

(5) The parent, guardian, custodian, or caretaker consents to the nonsecure

custody order; or

(6) The juvenile is a runaway and consents to nonsecure custody.

A juvenile alleged to be abused, neglected, or dependent shall be placed in nonsecure custody only when there is a reasonable factual basis to believe that there are no other reasonable means available to protect the juvenile. In no case shall a juvenile alleged to be abused, neglected, or dependent be placed in secure custody.

"§ 7B-504. Order for nonsecure custody.

The custody order shall be in writing and shall direct a law enforcement officer or other authorized person to assume custody of the juvenile and to make due return on the order. A copy of the order shall be given to the juvenile's parent, guardian, custodian, or caretaker by the official executing the order.

An officer receiving an order for custody which is complete and regular on its face may execute it in accordance with its terms. The officer is not required to inquire into the regularity or continued validity of the order and shall not incur criminal or civil liability for its due service.

"§ 7B-505. Place of nonsecure custody.

A juvenile meeting the criteria set out in G.S. 7B-503 may be placed in nonsecure custody with the department of social services or a person designated in the order for temporary residential placement in:

(1) A licensed foster home or a home otherwise authorized by law to provide such care; or

(2) A facility operated by the department of social services; or

(3) Any other home or facility approved by the court and designated in the order.

In placing a juvenile in nonsecure custody under this section, the court shall first consider whether a relative of the juvenile is willing and able to provide proper care and supervision of the juvenile in a safe home. If the court finds that the relative is willing and able to provide proper care and supervision in a safe home, then the court shall order placement of the juvenile with the relative. Prior to placement of a juvenile with a relative outside of this State, the placement must be in accordance with the Interstate Compact on the Placement of Children, Article 38 of this Chapter.

"§ 7B-506. Hearing to determine need for continued nonsecure custody.

(a) No juvenile shall be held under a nonsecure custody order for more than seven calendar days without a hearing on the merits or a hearing to determine the need for continued custody. A hearing on nonsecure custody conducted under this subsection may be continued for up to 10 business days with the consent of the juvenile's parent, guardian, or custodian and, if appointed, the juvenile's guardian ad litem. In addition, the court may require the consent of additional parties or may schedule the hearing on custody despite a party's consent to a continuance. In every case in which an order has been entered by an official exercising authority delegated pursuant to G.S. 7B-502, a hearing to determine the need for continued custody shall be conducted on the day of the next regularly scheduled session of district court in the city or county where the order was entered if such session precedes the expiration of the applicable time period set forth in this subsection: Provided, that if such session does not precede the expiration of the time period, the hearing may be conducted at another regularly scheduled session of district court in the district where the order was entered.

(b) At a hearing to determine the need for continued custody, the court shall receive testimony and shall allow the guardian ad litem, or juvenile, and the juvenile's parent, guardian, or custodian an opportunity to introduce evidence, to be heard in the person's own behalf, and to examine witnesses. The State shall bear the burden at every stage of

the proceedings to provide clear and convincing evidence that the juvenile's placement in custody is necessary. The court shall not be bound by the usual rules of evidence at such hearings.

(c) The court shall be bound by criteria set forth in G.S. 7B- 503 in determining whether continued custody is warranted.

(d) If the court determines that the juvenile meets the criteria in G.S. 7B-503 and should continue in custody, the court shall issue an order to that effect. The order shall be in writing with appropriate findings of fact. The findings of fact shall include the evidence relied upon in reaching the decision and the purposes which continued custody is to achieve.

(e) If the court orders at the hearing required in subsection (a) of this section that the juvenile remain in custody, a subsequent hearing on continued custody shall be held within seven business days of that hearing, excluding Saturdays, Sundays, and legal holidays, and pending a hearing on the merits, hearings thereafter shall be held at intervals of no more than 30 calendar days.

(f) Hearings conducted under subsection (e) of this section may be waived only with the consent of the juvenile's parent, guardian, or custodian, and, if appointed, the juvenile's guardian ad litem.

The court may require the consent of additional parties or schedule a hearing despite a party's consent to waiver.

(g) Any order authorizing the continued nonsecure custody of a juvenile shall include findings as to whether reasonable efforts have been made to prevent or eliminate the need for placement of the juvenile in custody and may provide for services or other efforts aimed at returning the juvenile promptly to a safe home. A finding that reasonable efforts have not been made shall not preclude the entry of an order authorizing continued custody when the court finds that continued custody is necessary for the protection of the juvenile. Where efforts to prevent the need for the juvenile's placement were precluded by an immediate threat of harm to the juvenile, the court may find that the placement of the juvenile in the absence of such efforts was reasonable. If the court finds through written findings of fact that efforts to eliminate the need for placement of the juvenile in custody clearly would be futile or would be inconsistent with the juvenile's safety and need for a safe, permanent home within a reasonable period of time, then the court shall specify in its order that reunification efforts are not required or order that reunification efforts cease.

(h) At each hearing to determine the need for continued nonsecure custody, the court shall:

(1) Inquire as to the identity and location of any missing parent. The court shall include findings as to the efforts undertaken to locate the missing parent and to serve that parent. The order may provide for specific efforts aimed at determining the identity and location of any missing parent;

(2) Inquire as to whether a relative of the juvenile is willing and able to provide proper care and supervision of the juvenile in a safe home. If the court finds that the relative is willing and able to provide proper care and supervision in a safe home, then the court shall order temporary placement of the juvenile with the relative. Placement of a juvenile with a relative outside of this State must be in accordance with the Interstate Compact on the Placement of Children set forth in Article 38 of this Chapter; and

(3) Inquire as to whether there are other juveniles remaining in the home from which the juvenile was removed and, if there are, inquire as to the

specific findings of the investigation conducted under G.S. 7B-302 and any actions taken or services provided by the director for the protection of the other juveniles.

"§ 7B-507. Telephonic communication authorized.

All communications, notices, orders, authorizations, and requests authorized or required by G.S. 7B-501, 7B-503, and 7B- 504 may be made by telephone when other means of communication are impractical. All written orders pursuant to telephonic communication shall bear the name and the title of the person communicating by telephone, the signature and the title of the official entering the order, and the hour and the date of the authorization.

"ARTICLE 6.

"Basic Rights.

"§ 7B-600. Appointment of guardian.

In any case when no parent appears in a hearing with the juvenile or when the court finds it would be in the best interests of the juvenile, the court may appoint a guardian of the person for the juvenile. The guardian shall operate under the supervision of the court with or without bond and shall file only such reports as the court shall require. The guardian shall have the care, custody, and control of the juvenile or may arrange a suitable placement for the juvenile and may represent the juvenile in legal actions before any court. The guardian may consent to certain actions on the part of the juvenile in place of the parent including (i) marriage, (ii) enlisting in the armed forces, and (iii) enrollment in school. The guardian may also consent to any necessary remedial, psychological, medical, or surgical treatment for the juvenile. The authority of the guardian shall continue until the guardianship is terminated by court order, until the juvenile is emancipated pursuant to Article 35 of Subchapter IV of this Chapter, or until the juvenile reaches the age of majority.

"§ 7B-601. Appointment and duties of guardian ad litem.

(a) When in a petition a juvenile is alleged to be abused or neglected, the court shall appoint a guardian ad litem to represent the juvenile. When a juvenile is alleged to be dependent, the court may appoint a guardian ad litem to represent the juvenile. The guardian ad litem and attorney advocate have standing to represent the juvenile in all actions under this Subchapter where they have been appointed. The appointment shall be made pursuant to the program established by Article 12 of this Chapter unless representation is otherwise provided pursuant to G.S. 7B-1202 or G.S. 7B-1203. The appointment shall terminate at the end of two years. The court may reappoint the guardian ad litem pursuant to a showing of good cause upon motion of any party, including the guardian ad litem, or of the court. In every case where a nonattorney is appointed as a guardian ad litem, an attorney shall be appointed in the case in order to assure protection of the juvenile's legal rights through the dispositional phase of the proceedings, and after disposition when necessary to further the best interests of the juvenile. The duties of the guardian ad litem program shall be to make an investigation to determine the facts, the needs of the juvenile, and the available resources within the family and community to meet those needs; to facilitate, when appropriate, the settlement of disputed issues; to offer evidence and examine witnesses at adjudication; to explore options with the court at the dispositional hearing; and to protect and promote the best interests of the juvenile until formally relieved of the responsibility by the court.

(b) The court may order the department of social services or the guardian ad litem to conduct follow-up investigations to ensure that the orders of the court are being properly executed and to report to the court when the needs of the juvenile are not being met. The court may also authorize the guardian ad litem to accompany the juvenile to court in any

criminal action wherein the juvenile may be called on to testify in a matter relating to abuse.

(c) The court may grant the guardian ad litem the authority to demand any information or reports, whether or not confidential, that may in the guardian ad litem's opinion be relevant to the case. Neither the physician-patient privilege nor the husband-wife privilege may be invoked to prevent the guardian ad litem and the court from obtaining such information. The confidentiality of the information or reports shall be respected by the guardian ad litem, and no disclosure of any information or reports shall be made to anyone except by order of the court or unless otherwise provided by law.

"§ 7B-602. Parent's right to counsel.

In cases where the juvenile petition alleges that a juvenile is abused, neglected, or dependent, the parent has the right to counsel and to appointed counsel in cases of indigency unless that person waives the right. In no case may the court appoint a county attorney, prosecutor, or public defender.

"§ 7B-603. Payment of court-appointed attorney or guardian ad litem.

An attorney or guardian ad litem appointed pursuant to G.S. 7B- 601 or G.S. 7B-602 pursuant to any other provision of the Juvenile Code shall be paid a reasonable fee fixed by the court in the same manner as fees for attorneys appointed in cases of indigency or by direct engagement for specialized guardian ad litem services through the Administrative Office of the Courts. The court may require payment of the attorney or guardian ad litem fee from a person other than the juvenile as provided in G.S. 7A-450.1, 7A-450.2, and 7A-450.3. In no event shall the parent or guardian be required to pay the fees for a court- appointed attorney or guardian ad litem in an abuse, neglect, or dependency proceeding unless the juvenile has been adjudicated to be abused, neglected, or dependent, or, in a proceeding to terminate parental rights, unless the parent's rights have been terminated. A person who does not comply with the court's order of payment may be punished for contempt as provided in G.S. 5A- 21.

"ARTICLE 7.

"Discovery.

"§ 7B-700. Regulation of discovery; protective orders.

(a) Upon written motion of a party and a finding of good cause, the court may at any time order that discovery be denied, restricted, or deferred.

(b) The court may permit a party seeking relief under subsection (a) of this section to submit supporting affidavits or statements to the court for in camera inspection. If, thereafter, the court enters an order granting relief under subsection (a) of this section, the material submitted in camera must be available to the Court of Appeals in the event of an appeal.

"ARTICLE 8.

"Hearing Procedures.

"§ 7B-800. Amendment of petition.

The court may permit a petition to be amended when the amendment does not change the nature of the conditions upon which the petition is based.

"§ 7B-801. Adjudicatory hearing.

The adjudicatory hearing shall be held in the district at such time and place as the chief district court judge shall designate. The court may exclude the public from the hearing unless the juvenile moves that the hearing be open, which motion shall be granted.

"§ 7B-802. Conduct of hearing.

The adjudicatory hearing shall be a judicial process designed to adjudicate the existence or nonexistence of any of the conditions alleged in a petition. In the

adjudicatory hearing, the court shall protect the rights of the juvenile and the juvenile's parent to assure due process of law.

"§ 7B-803. Continuances.

The court may, for good cause, continue the hearing for as long as is reasonably required to receive additional evidence, reports, or assessments that the court has requested, or other information needed in the best interests of the juvenile and to allow for a reasonable time for the parties to conduct expeditious discovery. Otherwise, continuances shall be granted only in extraordinary circumstances when necessary for the proper administration of justice or in the best interests of the juvenile.

"§ 7B-804. Rules of evidence.

Where the juvenile is alleged to be abused, neglected, or dependent, the rules of evidence in civil cases shall apply.

"§ 7B-805. Quantum of proof in adjudicatory hearing.

The allegations in a petition alleging abuse, neglect, or dependency shall be proved by clear and convincing evidence.

"§ 7B-806. Record of proceedings.

All adjudicatory and dispositional hearings shall be recorded by stenographic notes or by electronic or mechanical means. Records shall be reduced to a written transcript only when timely notice of appeal has been given. The court may order that other hearings be recorded.

"§ 7B-807. Adjudication.

If the court finds that the allegations in the petition have been proven by clear and convincing evidence, the court shall so state. If the court finds that the allegations have not been proven, the court shall dismiss the petition with prejudice, and if the juvenile is in nonsecure custody, the juvenile shall be released to the parent, guardian, custodian, or caretaker.

"§ 7B-808. Predisposition investigation and report.

The court shall proceed to the dispositional hearing upon receipt of sufficient social, medical, psychiatric, psychological, and educational information. No predisposition report shall be submitted to or considered by the court prior to the completion of the adjudicatory hearing. The court shall permit the guardian ad litem or juvenile to inspect any predisposition report to be considered by the court in making the disposition unless the court determines that disclosure would seriously harm the juvenile's treatment or would violate a promise of confidentiality. Opportunity to offer evidence in rebuttal shall be afforded the guardian ad litem or juvenile, and the juvenile's parent, guardian, or custodian at the dispositional hearing. The court may order counsel not to disclose parts of the report to the guardian ad litem or juvenile, or the juvenile's parent, guardian, or custodian if the court finds that disclosure would seriously harm the treatment of the juvenile or would violate a promise of confidentiality given to a source of information.

"ARTICLE 9.

"Dispositions.

"§ 7B-900. Purpose.

The purpose of dispositions in juvenile actions is to design an appropriate plan to meet the needs of the juvenile and to achieve the objectives of the State in exercising jurisdiction. If possible, the initial approach should involve working with the juvenile and the juvenile's family in their own home so that the appropriate community resources may be involved in care, supervision, and treatment according to the needs of the juvenile. Thus, the court should arrange for appropriate community-level services to be provided to the juvenile and the juvenile's family in order to strengthen the home situation.

"§ 7B-901. Dispositional hearing.

The dispositional hearing may be informal and the court may consider written reports or other evidence concerning the needs of the juvenile. The juvenile and the juvenile's parent, guardian, or custodian shall have an opportunity to present evidence, and they may advise the court concerning the disposition they believe to be in the best interests of the juvenile. The court may exclude the public from the hearing unless the juvenile moves that the hearing be open, which motion shall be granted.

"§ 7B-902. Consent judgment in abuse, neglect, or dependency proceeding.

Nothing in this Article precludes the court from entering a consent order or judgment on a petition for abuse, neglect, or dependency when all parties are present, the juvenile is represented by counsel, and all other parties are either represented by counsel or have waived counsel, and sufficient findings of fact are made by the court.

"§ 7B-903. Dispositional alternatives for abused, neglected, or dependent juvenile.

The following alternatives for disposition shall be available to any court exercising jurisdiction, and the court may combine any of the applicable alternatives when the court finds the disposition to be in the best interests of the juvenile:

(1) The court may dismiss the case or continue the case in order to allow the parent or others to take appropriate action.

(2) In the case of any juvenile who needs more adequate care or supervision or who needs placement, the court may:

a. Require that the juvenile be supervised in the juvenile's own home by the department of social services in the juvenile's county, or by other personnel as may be available to the court, subject to conditions applicable to the parent or juvenile as the court may specify; or

b. Place the juvenile in the custody of a parent, relative, private agency offering placement services, or some other suitable person; or

c. Place the juvenile in the custody of the department of social services in the county of the juvenile's residence, or in the case of a juvenile who has legal residence outside the State, in the physical custody of the department of social services in the county where the juvenile is found so that agency may return the juvenile to the responsible authorities in the juvenile's home state. The director may, unless otherwise ordered by the court, arrange for, provide, or consent to, needed routine or emergency medical or surgical care or treatment. In the case where the parent is unknown, unavailable, or unable to act on behalf of the juvenile, the director may, unless otherwise ordered by the court, arrange for, provide, or consent to any psychiatric, psychological, educational, or other remedial evaluations or treatment for the juvenile placed by a court or the court's designee in the custody or physical custody of a county department of social services under the authority of this or any other Chapter of the General Statutes. Prior to exercising this authority, the director shall make reasonable efforts to obtain consent from a parent or guardian of the affected juvenile. If the director cannot obtain such consent, the director shall promptly notify the parent or guardian that care or treatment has been provided and shall give the parent frequent status reports on the circumstances of the juvenile. Upon request of a parent or guardian of the affected juvenile, the results or records of the aforementioned

evaluations, findings, or treatment shall be made available to such parent or guardian by the director unless prohibited by G.S. 122C-53(d).

(3) In any case, the court may order that the juvenile be examined by a physician, psychiatrist, psychologist, or other qualified expert as may be needed for the court to determine the needs of the juvenile:

a. Upon completion of the examination, the court shall conduct a hearing to determine whether the juvenile is in need of medical, surgical, psychiatric, psychological, or other treatment and who should pay the cost of the treatment. The county manager, or such person who shall be designated by the chairman of the county commissioners, of the juvenile's residence shall be notified of the hearing and allowed to be heard. If the court finds the juvenile to be in need of medical, surgical, psychiatric, psychological, or other treatment, the court shall permit the parent or other responsible persons to arrange for treatment. If the parent declines or is unable to make necessary arrangements, the court may order the needed treatment, surgery, or care, and the court may order the parent to pay the cost of the care pursuant to G.S. 7B-904. If the court finds the parent is unable to pay the cost of treatment, the court shall order the county to arrange for treatment of the juvenile and to pay for the cost of the treatment. The county department of social services shall recommend the facility that will provide the juvenile with treatment.

b. If the court believes, or if there is evidence presented to the effect that the juvenile is mentally ill or is developmentally disabled, the court shall refer the juvenile to the area mental health, developmental disabilities, and substance abuse services director for appropriate action. A juvenile shall not be committed directly to a State hospital or mental retardation center; and orders purporting to commit a juvenile directly to a State hospital or mental retardation center except for an examination to determine capacity to proceed shall be void and of no effect. The area mental health, developmental disabilities, and substance abuse director shall be responsible for arranging an interdisciplinary evaluation of the juvenile and mobilizing resources to meet the juvenile's needs. If institutionalization is determined to be the best service for the juvenile, admission shall be with the voluntary consent of the parent or guardian. If the parent, guardian, or custodian refuses to consent to a mental hospital or retardation center admission after such institutionalization is recommended by the area mental health, developmental disabilities, and substance abuse director, the signature and consent of the court may be substituted for that purpose. In all cases in which a regional mental hospital refuses admission to a juvenile referred for admission by a court and an area mental health, developmental disabilities, and substance abuse director or discharges a juvenile previously admitted on court referral prior to completion of treatment, the hospital shall submit to the court a written report setting out the reasons for denial of admission or discharge and setting out the juvenile's diagnosis,

indications of mental illness, indications of need for treatment, and a statement as to the location of any facility known to have a treatment program for the juvenile in question.

"§ 7B-904. Authority over parents of juvenile adjudicated as abused, neglected, or dependent.

(a) If the court orders medical, surgical, psychiatric, psychological, or other treatment pursuant to G.S. 7B-903, the court may order the parent or other responsible parties to pay the cost of the treatment or care ordered.

(b) At the dispositional hearing or a subsequent hearing in the case of a juvenile who has been adjudicated abused, neglected, or dependent, if the court finds that it is in the best interests of the juvenile for the parent to be directly involved in the juvenile's treatment, the court may order the parent to participate in medical, psychiatric, psychological, or other treatment of the juvenile. The cost of the treatment shall be paid pursuant to G.S. 7B-903.

(c) At the dispositional hearing or a subsequent hearing in the case of a juvenile who has been adjudicated abused, neglected, or dependent, the court may determine whether the best interests of the juvenile require that the parent undergo psychiatric, psychological, or other treatment or counseling directed toward remediating or remedying behaviors or conditions that led to or contributed to the juvenile's adjudication or to the court's decision to remove custody of the juvenile from the parent. If the court finds that the best interests of the juvenile require the parent undergo treatment, it may order the parent to comply with a plan of treatment approved by the court or condition legal custody or physical placement of the juvenile with the parent upon the parent's compliance with the plan of treatment. The court may order the parent to pay the cost of treatment ordered pursuant to this subsection. In cases in which the court has conditioned legal custody or physical placement of the juvenile with the parent upon the parent's compliance with a plan of treatment, the court may charge the cost of the treatment to the county of the juvenile's residence if the court finds the parent is unable to pay the cost of the treatment. In all other cases, if the court finds the parent is unable to pay the cost of the treatment ordered pursuant to this subsection, the court may order the parent to receive treatment currently available from the area mental health program that serves the parent's catchment area.

(d) Whenever legal custody of a juvenile is vested in someone other than the juvenile's parent, after due notice to the parent and after a hearing, the court may order that the parent pay a reasonable sum that will cover, in whole or in part, the support of the juvenile after the order is entered. If the court requires the payment of child support, the amount of the payments shall be determined as provided in G.S. 50-13.4(c). If the court places a juvenile in the custody of a county department of social services and if the court finds that the parent is unable to pay the cost of the support required by the juvenile, the cost shall be paid by the county department of social services in whose custody the juvenile is placed, provided the juvenile is not receiving care in an institution owned or operated by the State or federal government or any subdivision thereof.

(e) Failure of a parent who is personally served to participate in or comply with this section may result in a proceeding for civil contempt.

"§ 7B-905. Dispositional order.

(a) The dispositional order shall be in writing and shall contain appropriate findings of fact and conclusions of law. The court shall state with particularity, both orally and in the written order of disposition, the precise terms of the disposition including the kind, duration, and the person who is responsible for carrying out the disposition and the person or agency in whom custody is vested.

(b) A dispositional order under which a juvenile is removed from the custody of a

parent or other person who has assumed the status and obligation of a parent without being awarded legal custody of the juvenile by a court shall direct that the review hearing required by G.S. 7B-906 be held within six months of the date of the juvenile's placement in custody and, if practicable, shall set the date and time for the review hearing.

(c) Any order directing placement of a juvenile in foster care shall also contain:

(1) A finding that the juvenile's continuation in or return to the juvenile's home would be contrary to the juvenile's best interests; and

(2) Findings as to whether reasonable efforts have been made to prevent or eliminate the need for placement of the juvenile in foster care. A finding that reasonable efforts were not made shall not preclude entry of a dispositional order authorizing placement in foster care when the court finds that such placement is needed for protection of the juvenile. When efforts to prevent the need for the juvenile's placement are precluded by an immediate threat of harm to the juvenile, the court may find that placement of the juvenile in the absence of such efforts is reasonable.

The order may provide for services or other efforts aimed at returning the juvenile promptly to a safe home. If the court finds through written findings of fact that efforts to eliminate the need for placement of the juvenile in custody clearly would be futile or would be inconsistent with the juvenile's safety and need for a safe, permanent home within a reasonable period of time, the court shall specify in its order that reunification efforts are not required or order that reunification efforts cease.

(d) An order that places a juvenile in the custody of a county department of social services for placement shall specify that the juvenile's placement and care are the responsibility of the county department of social services and that the county department is to provide or arrange for the foster care or other placement of the juvenile.

"§ 7B-906. Review of custody order.

(a) In any case where custody is removed from a parent or other person who has assumed the status and obligation of a parent without being awarded legal custody of the juvenile by a court, the court shall conduct a review within six months of the date the order was entered, shall conduct a second review within six months after the first review, and shall conduct subsequent reviews at least every year thereafter. The Director of Social Services shall make timely requests to the clerk to calendar the case at a session of court scheduled for the hearing of juvenile matters within six months of the date the order was entered. The director shall make timely requests for calendaring subsequent reviews. The clerk shall give 15 days' notice of the review to the parent or other person who has assumed the status and obligation of a parent without being awarded legal custody of the juvenile by a court, the juvenile, if 12 years of age or more, the guardian, foster parent, custodian, or agency with custody, the guardian ad litem, and any other person the court may specify, indicating the court's impending review.

(b) Notwithstanding other provisions of this Article, the court may waive the holding of review hearings required by subsection (a) of this section, may require written reports to the court by the agency or person holding custody in lieu of review hearings, or order that review hearings be held less often than every 12 months, if the court finds by clear, cogent, and convincing evidence that:

(1) The juvenile has resided with a relative or has been in the custody of another suitable person for a period of at least one year;

(2) The placement is stable and continuation of the placement is in the juvenile's best interests;

(3) Neither the juvenile's best interests nor the rights of any party require that review hearings be held every 12 months;

(4) All parties are aware that the matter may be brought before the court for review at any time by the filing of a motion for review or on the court's own motion; and

(5) The court order has designated the relative or other suitable person as the juvenile's permanent caretaker or guardian of the person.

The court may not waive or refuse to conduct a review hearing if a party files a motion seeking the review.

(c) At every review hearing, the court shall consider information from the department of social services, the juvenile, the parent or other person who has assumed the status and obligation of a parent without being awarded legal custody of the juvenile by a court, the custodian, the foster parent, the guardian ad litem, and any public or private agency which will aid it in its review.

In each case the court shall consider the following criteria and make written findings regarding those that are relevant:

(1) Services which have been offered to reunite the family, or whether efforts to reunite the family clearly would be futile or inconsistent with the juvenile's safety and need for a safe, permanent home within a reasonable period of time.

(2) Where the juvenile's return home is unlikely, the efforts which have been made to evaluate or plan for other methods of care.

(3) Goals of the foster care placement and the appropriateness of the foster care plan.

(4) A new foster care plan, if continuation of care is sought, that addresses the role the current foster parent will play in the planning for the juvenile.

(5) Reports on the placements the juvenile has had and any services offered to the juvenile and the parent.

(6) When and if termination of parental rights should be considered.

(7) Any other criteria the court deems necessary.

(d) The court, after making findings of fact, may appoint a guardian of the person for the juvenile pursuant to G.S. 7B-600 or may make any disposition authorized by G.S. 7B-903, including the authority to place the juvenile in the custody of either parent or any relative found by the court to be suitable and found by the court to be in the best interests of the juvenile. If the juvenile is placed in or remains in the custody of the department of social services, the court may authorize the department to arrange and supervise a visitation plan. Except for such visitation, the juvenile shall not be returned to the parent or other person who has assumed the status and obligation of a parent without being awarded legal custody of the juvenile by a court without a hearing at which the court finds sufficient facts to show that the juvenile will receive proper care and supervision. The court may enter an order continuing the placement under review or providing for a different placement as is deemed to be in the best interests of the juvenile. If at any time custody is restored to a parent, the court shall be relieved of the duty to conduct periodic judicial reviews of the placement.

(e) At a hearing designated by the court, but at least within 12 months after the juvenile's placement, a review hearing shall be held under this section and designated as a permanency- planning hearing. The purpose of the hearing shall be to develop a plan to achieve a safe, permanent home for the juvenile within a reasonable period of time. Notice of the hearing shall inform the parties of the purpose of the hearing. At the conclusion of the hearing, if the juvenile is not returned home, the court shall make specific findings as to the best plan of care to achieve a safe, permanent home for the juvenile within a

reasonable period of time and shall enter an order consistent with those findings.

(f) The provisions of subsections (b), (c), and (d) of G.S. 7B-905 shall apply to any order entered under this section which continues the foster care placement of a juvenile.

"§ 7B-907. Posttermination of parental rights' placement court review.

(a) The purpose of each placement review is to ensure that every reasonable effort is being made to provide for a permanent placement plan for the juvenile who has been placed in the custody of a county director or licensed child-placing agency, which is consistent with the juvenile's best interests. At each review hearing the court may consider information from the department of social services, the licensed child-placing agency, the guardian ad litem, the juvenile, the foster parent, and any other person or agency the court determines is likely to aid in the review.

(b) The court shall conduct a placement review not later than six months from the date of the termination hearing when parental rights have been terminated by a petition brought by any person or agency designated in G.S. 7B-1102(2) through (5) and a county director or licensed child-placing agency has custody of the juvenile. The court shall conduct reviews every six months until the juvenile is placed for adoption and the adoption petition is filed by the adoptive parents:

(1) No more than 30 days and no less than 15 days prior to each review, the clerk shall give notice of the review to the juvenile if the juvenile is at least 12 years of age, the legal custodian of the juvenile, the foster parent, the guardian ad litem, if any, and any other person the court may specify. Only the juvenile, if the juvenile is at least 12 years of age, the legal custodian of the juvenile, the foster parent, and the guardian ad litem shall attend the review hearings, except as otherwise directed by the court.

(2) If a guardian ad litem for the juvenile has not been appointed previously by the court in the termination proceeding, the court, at the initial six-month review hearing, may appoint a guardian ad litem to represent the juvenile. The court may continue the case for such time as is necessary for the guardian ad litem to become familiar with the facts of the case.

(c) The court shall consider at least the following in its review:

(1) The adequacy of the plan developed by the county department of social services or a licensed child-placing agency for a permanent placement relative to the juvenile's best interests and the efforts of the department or agency to implement such plan;

(2) Whether the juvenile has been listed for adoptive placement with the North Carolina Adoption Resource Exchange, the North Carolina Photo Adoption Listing Service (PALS), or any other specialized adoption agency; and

(3) The efforts previously made by the department or agency to find a permanent home for the juvenile.

(d) The court, after making findings of fact, shall affirm the county department's or child-placing agency's plans or require specific additional steps which are necessary to accomplish a permanent placement which is in the best interests of the juvenile.

(e) If the juvenile has been placed for adoption prior to the date scheduled for the review, written notice of said placement shall be given to the clerk to be placed in the court file, and the review hearing shall be cancelled with notice of said cancellation given by the clerk to all persons previously notified.

(f) The process of selection of specific adoptive parents shall be the responsibility of

and within the discretion of the county department of social services or licensed child-placing agency. The guardian ad litem may request information from and consult with the county department or child-placing agency concerning the selection process. If the guardian ad litem requests information about the selection process, the county shall provide the information within five days. Any issue of abuse of discretion by the county department or child-placing agency in the selection process must be raised by the guardian ad litem within 10 days following the date the agency notifies the court and the guardian ad litem in writing of the filing of the adoption petition.

"§ 7B-908. Review of agency's plan for placement.

(a) The director of social services or the director of the licensed private child-placing agency shall promptly notify the clerk to calendar the case for review of the department's or agency's plan for the juvenile at a session of court scheduled for the hearing of juvenile matters in any case where:

(1) One parent has surrendered a juvenile for adoption under the provisions of Part 7 of Article 3 of Chapter 48 of the General Statutes and the termination of parental rights proceedings have not been instituted against the nonsurrendering parent within six months of the surrender by the other parent, or

(2) Both parents have surrendered a juvenile for adoption under the provisions of Part 7 of Article 3 of Chapter 48 of the General Statutes and that juvenile has not been placed for adoption within six months from the date of the more recent parental surrender.

(b) In any case where an adoption is dismissed or withdrawn and the juvenile returns to foster care with a department of social services or a licensed private child-placing agency, then the department of social services or licensed child-placing agency shall notify the clerk, within 30 days from the date the juvenile returns to care, to calendar the case for review of the agency's plan for the juvenile at a session of court scheduled for the hearing of juvenile matters.

(c) Notification of the court required under subsection (a) or (b) of this section shall be by a petition for review. The petition shall set forth the circumstances necessitating the review under subsection (a) or (b) of this section. The review shall be conducted within 30 days following the filing of the petition for review unless the court shall otherwise direct. The court shall conduct reviews every six months until the juvenile is placed for adoption and the adoption petition is filed by the adoptive parents. The initial review and all subsequent reviews shall be conducted pursuant to G.S. 7B-907.

"§ 7B-909. Review of voluntary foster care placements.

(a) The court shall review the placement of any juvenile in foster care made pursuant to a voluntary agreement between the juvenile's parents or guardian and a county department of social services and shall make findings from evidence presented at a review hearing with regard to:

(1) The voluntariness of the placement;

(2) The appropriateness of the placement;

(3) Whether the placement is in the best interests of the juvenile; and

(4) The services that have been or should be provided to the parents, guardian, foster parents, and juvenile, as the case may be, either (i) to improve the placement or (ii) to eliminate the need for the placement.

(b) The court may approve the continued placement of the juvenile in foster care on a voluntary agreement basis, disapprove the continuation of the voluntary placement, or direct the department of social services to petition the court for legal custody if the placement is to continue.

(c) An initial review hearing shall be held not more than 180 days after the juvenile's placement and shall be calendared by the clerk for hearing within such period upon timely request by the director of social services. Additional review hearings shall be held at such times as the court shall deem appropriate and shall direct, either upon its own motion or upon written request of the parents, guardian, foster parents, or director of social services. A juvenile placed under a voluntary agreement between the juvenile's parent or guardian and the county department of social services shall not remain in placement more than 12 months without the filing of a petition alleging abuse, neglect, or dependency.

(d) The clerk shall give at least 15 days' advance written notice of the initial and subsequent review hearings to the parents or guardian of the juvenile, to the juvenile if 12 or more years of age, to the director of social services, and to any other persons whom the court may specify.

"ARTICLE 10.

"Modification and Enforcement of Dispositional Orders; Appeals.

"§ 7B-1000. Authority to modify or vacate.

(a) Upon motion in the cause or petition, and after notice, the court may conduct a review hearing to determine whether the order of the court is in the best interests of the juvenile, and the court may modify or vacate the order in light of changes in circumstances or the needs of the juvenile.

(b) In any case where the court finds the juvenile to be abused, neglected, or dependent, the jurisdiction of the court to modify any order or disposition made in the case shall continue during the minority of the juvenile, until terminated by order of the court, or until the juvenile is otherwise emancipated.

"§ 7B-1001. Right to appeal.

Upon motion of a proper party as defined in G.S. 7B-1002, review of any final order of the court in a juvenile matter under this Article shall be before the Court of Appeals. Notice of appeal shall be given in open court at the time of the hearing or in writing within 10 days after entry of the order. However, if no disposition is made within 60 days after entry of the order, written notice of appeal may be given within 70 days after such entry. A final order shall include:

(1) Any order finding absence of jurisdiction;

(2) Any order which in effect determines the action and prevents a judgment from which appeal might be taken;

(3) Any order of disposition after an adjudication that a juvenile is abused, neglected, or dependent; or

(4) Any order modifying custodial rights.

"§ 7B-1002. Proper parties for appeal.

An appeal may be taken by the guardian ad litem or juvenile, the juvenile's parent, guardian, or custodian, the State or county agency.

"§ 7B-1003. Disposition pending appeal.

Pending disposition of an appeal, the return of the juvenile to the custody of the parent or guardian of the juvenile, with or without conditions, should issue in every case unless the court orders otherwise. For compelling reasons which must be stated in writing, the court may enter a temporary order affecting the custody or placement of the juvenile as the court finds to be in the best interests of the juvenile or the State. The provisions of subsections (b), (c), and (d) of G.S. 7B-905 shall apply to any order entered under this section which provides for the placement or continued placement of a juvenile in foster care.

"§ 7B-1004. Disposition after appeal.

Upon the affirmation of the order of adjudication or disposition of the court by the

Court of Appeals or by the Supreme Court in the event of an appeal, the court shall have authority to modify or alter the original order of adjudication or disposition as the court finds to be in the best interests of the juvenile to reflect any adjustment made by the juvenile or change in circumstances during the period of time the appeal was pending. If the modifying order is entered ex parte, the court shall give notice to interested parties to show cause within 10 days thereafter as to why the modifying order should be vacated or altered.

"ARTICLE 11.

"Termination of Parental Rights.

"§ 7B-1100. Legislative intent; construction of Article.

The General Assembly hereby declares as a matter of legislative policy with respect to termination of parental rights:

(1) The general purpose of this Article is to provide judicial procedures for terminating the legal relationship between a juvenile and the juvenile's biological or legal parents when the parents have demonstrated that they will not provide the degree of care which promotes the healthy and orderly physical and emotional well-being of the juvenile.

(2) It is the further purpose of this Article to recognize the necessity for any juvenile to have a permanent plan of care at the earliest possible age, while at the same time recognizing the need to protect all juveniles from the unnecessary severance of a relationship with biological or legal parents.

(3) Action which is in the best interests of the juvenile should be taken in all cases where the interests of the juvenile and those of the juvenile's parents or other persons are in conflict.

(4) This Article shall not be used to circumvent the provisions of Chapter 50A of the General Statutes, the Uniform Child Custody Jurisdiction Act.

"§ 7B-1101. Jurisdiction.

The court shall have exclusive original jurisdiction to hear and determine any petition relating to termination of parental rights to any juvenile who resides in, is found in, or is in the legal or actual custody of a county department of social services or licensed child-placing agency in the district at the time of filing of the petition. The court shall have jurisdiction to terminate the parental rights of any parent irrespective of the age of the parent. The parent has the right to counsel and to appointed counsel in cases of indigency unless the parent waives the right. The fees of appointed counsel shall be borne by the Administrative Office of the Courts. In addition to the right to appointed counsel set forth above, a guardian ad litem shall be appointed in accordance with the provisions of G.S. 1A-1, Rule 17, to represent a parent in the following cases:

(1) Where it is alleged that a parent's rights should be terminated pursuant to G.S. 7B-1110(6); or

(2) Where the parent is under the age of 18 years.

The fees of the guardian ad litem shall be borne by the Administrative Office of the Courts when the court finds that the respondent is indigent. In other cases the fees of the court- appointed guardian ad litem shall be a proper charge against the respondent if the respondent does not secure private legal counsel. Provided, that before exercising jurisdiction under this Article, the court shall find that it would have jurisdiction to make a child-custody determination under the provisions of G.S. 50A-3. Provided, further, that the clerk of superior court shall have jurisdiction for adoptions under the provisions of G.S. 48- 2-100 and Chapter 48 of the General Statutes generally.

"§ 7B-1102. Who may petition.

A petition to terminate the parental rights of either or both parents to his, her, or their minor juvenile may only be filed by:

(1) Either parent seeking termination of the right of the other parent; or

(2) Any person who has been judicially appointed as the guardian of the person of the juvenile; or

(3) Any county department of social services, consolidated county human services agency, or licensed child-placing agency to whom custody of the juvenile has been given by a court of competent jurisdiction; or

(4) Any county department of social services, consolidated county human services agency, or licensed child-placing agency to which the juvenile has been surrendered for adoption by one of the parents or by the guardian of the person of the juvenile, pursuant to G.S. 48-3-701; or

(5) Any person with whom the juvenile has resided for a continuous period of two years or more next preceding the filing of the petition; or

(6) Any guardian ad litem appointed to represent the minor juvenile pursuant to G.S. 7B-601 who has not been relieved of this responsibility and who has served in this capacity for at least one continuous year; or

(7) Any person who has filed a petition for adoption pursuant to Chapter 48 of the General Statutes.

"§ 7B-1103. Petition.

The petition shall be verified by the petitioner and shall be entitled `In Re (last name of juvenile)', a minor juvenile; and shall set forth such of the following facts as are known; and with respect to the facts which are unknown the petitioner shall so state:

(1) The name of the juvenile as it appears on the juvenile's birth certificate, the date and place of birth, and the county where the juvenile is presently residing.

(2) The name and address of the petitioner and facts sufficient to identify the petitioner as one entitled to petition under G.S. 7B-1102.

(3) The name and address of the parents of the juvenile. If the name or address of one or both parents is unknown to the petitioner, the petitioner shall set forth with particularity the petitioner's efforts to ascertain the identity or whereabouts of the parent or parents. The information may be contained in an affidavit attached to the petition and incorporated therein by reference.

(4) The name and address of any person appointed as guardian of the person of the juvenile pursuant to the provisions of Chapter 35A of the General Statutes, or of G.S. 7B-600.

(5) The name and address of any person or agency to whom custody of the juvenile has been given by a court of this or any other state; and a copy of the custody order shall be attached to the petition.

(6) Facts that are sufficient to warrant a determination that one or more of the grounds for terminating parental rights exist.

(7) That the petition has not been filed to circumvent the provisions of Chapter 50A of the General Statutes, the Uniform Child Custody Jurisdiction Act.

"§ 7B-1104. Preliminary hearing; unknown parent.

(a) If either the name or identity of any parent whose parental rights the petitioner seeks to terminate is not known to the petitioner, the court shall, within 10 days from the date of filing of the petition, or during the next term of court in the county where the

petition is filed if there is no court in the county in that 10-day period, conduct a preliminary hearing to ascertain the name or identity of such parent.

(b) The court may, in its discretion, inquire of any known parent of the juvenile concerning the identity of the unknown parent and may appoint a guardian ad litem for the unknown parent to conduct a diligent search for the parent. Should the court ascertain the name or identity of the parent, it shall enter a finding to that effect; and the parent shall be summoned to appear in accordance with G.S. 7B-1105.

(c) Notice of the preliminary hearing need be given only to the petitioner who shall appear at the hearing, but the court may cause summons to be issued to any person directing the person to appear and testify.

(d) If the court is unable to ascertain the name or identity of the unknown parent, the court shall order publication of notice of the termination proceeding and shall specifically order the place or places of publication and the contents of the notice which the court concludes is most likely to identify the juvenile to such unknown parent. The notice shall be published in a newspaper qualified for legal advertising in accordance with G.S. 1-597 and G.S. 1-598 and published in the counties directed by the court, once a week for three successive weeks. Provided, further, the notice shall:

(1) Designate the court in which the petition is pending;

(2) Be directed to `the father (mother) (father and mother) of a male (female) juvenile born on or about .....in
(date)
.....County, ...,
(city)
....., respondent';
(State)

(3) Designate the docket number and title of the case (the court may direct the actual name of the title be eliminated and the words `In Re Doe' substituted therefor);

(4) State that a petition seeking to terminate the parental rights of the respondent has been filed;

(5) Direct the respondent to answer the petition within 30 days after a date stated in the notice, exclusive of such date, which date so stated shall be the date of first publication of notice and be substantially in the form as set forth in G.S. 1A-1, Rule 4(j1); and

(6) State that the respondent's parental rights to the juvenile will be terminated upon failure to answer the petition within the time prescribed.

Upon completion of the service, an affidavit of the publisher shall be filed with the court.

(e) The court shall issue the order required by subsections (b) and (d) of this section within 30 days from the date of the preliminary hearing unless the court shall determine that additional time for investigation is required.

(f) Upon the failure of the parent served by publication pursuant to subsection (d) of this section to answer the petition within the time prescribed, the court shall issue an order terminating all parental rights of the unknown parent.

"§ 7B-1105. Issuance of summons.

(a) Except as provided in G.S. 7B-1104, upon the filing of the petition, the court shall cause a summons to be issued. The summons shall be directed to the following persons or agency, not otherwise a party petitioner, who shall be named as respondents:

(1) The parents of the juvenile;

(2) Any person who has been judicially appointed as guardian of the person of the juvenile;

(3) The custodian of the juvenile appointed by a court of competent jurisdiction;

(4) Any county department of social services or licensed child-placing agency to whom a juvenile has been released by one parent pursuant to Part 7 of Article 3 of Chapter 48 of the General Statutes; and

(5) The juvenile, if the juvenile is 12 years of age or older at the time the petition is filed.

Provided, no summons need be directed to or served upon any parent who has previously surrendered the juvenile to a county department of social services or licensed child-placing agency nor to any parent who has consented to the adoption of the juvenile by the petitioner. The summons shall notify the respondents to file a written answer within 30 days after service of the summons and petition. Service of the summons shall be completed as provided under the procedures established by G.S. 1A-1, Rule 4(j); but the parent of the juvenile shall not be deemed to be under disability even though the parent is a minor.

(b) The summons shall be issued for the purpose of terminating parental rights pursuant to the provisions of subsection (a) of this section and shall include:

(1) The name of the minor juvenile;

(2) Notice that a written answer to the petition must be filed with the clerk who signed the petition within 30 days after service of the summons and a copy of the petition, or the parent's rights may be terminated;

(3) Notice that if they are indigent, the parents are entitled to appointed counsel. The parents may contact the clerk immediately to request counsel;

(4) Notice that this is a new case. Any attorney appointed previously will not represent the parents in this proceeding unless ordered by the court;

(5) Notice that the date, time, and place of the hearing will be mailed by the clerk upon filing of the answer or 30 days from the date of service if no answer is filed; and

(6) Notice of the purpose of the hearing and notice that the parents may attend the termination hearing.

"§ 7B-1106. Failure of respondents to answer.

Upon the failure of the respondents to file written answer to the petition with the court within 30 days after service of the summons and petition, or within the time period established for a defendant's reply by G.S. 1A-1, Rule 4(j1) if service is by publication, the court shall issue an order terminating all parental and custodial rights of the respondent or respondents with respect to the juvenile; provided the court shall order a hearing on the petition and may examine the petitioner or others on the facts alleged in the petition.

"§ 7B-1107. Answer of respondents.

(a) Any respondent may file a written answer to the petition. The answer shall admit or deny the allegations of the petition and shall set forth the name and address of the answering respondent or the respondent's attorney.

(b) If an answer denies any material allegation of the petition, the court shall appoint a guardian ad litem for the juvenile to represent the best interests of the juvenile, unless the petition was filed by the guardian ad litem pursuant to G.S. 7B-1102. A licensed attorney shall be appointed to assist those guardians ad litem who are not attorneys licensed to practice in North Carolina. The appointment, duties, and payment of the guardian ad litem

shall be the same as in G.S. 7B-601 and G.S. 7B-603. The court shall conduct a special hearing after notice of not less than 10 days nor more than 30 days to the petitioner, the answering respondent, and the guardian ad litem for the juvenile to determine the issues raised by the petition and answer. Notice of the hearing shall be deemed to have been given upon the depositing thereof in the United States mail, first-class postage prepaid, and addressed to the petitioner, respondent, and guardian ad litem or their counsel of record, at the addresses appearing in the petition and responsive pleading.

(c) In proceedings under this Article, the appointment of a guardian ad litem shall not be required except, as provided above, in cases in which an answer is filed denying material allegations, or as required under G.S. 7B-1101; but the court may, in its discretion, appoint a guardian ad litem for a juvenile, either before or after determining the existence of grounds for termination of parental rights, in order to assist the court in determining the best interests of the juvenile.

(d) If a guardian ad litem has previously been appointed for the juvenile under G.S. 7B-601, and the appointment of a guardian ad litem could also be made under this section, the guardian ad litem appointed under G.S. 7B-601, and any attorney appointed to assist that guardian, shall also represent the juvenile in all proceedings under this Article and shall have the duties and payment of a guardian ad litem appointed under this section, unless the court determines that the best interests of the juvenile require otherwise.

"§ 7B-1108. Adjudicatory hearing on termination.

(a) The hearing on the termination of parental rights shall be conducted by the court sitting without a jury. Reporting of the hearing shall be as provided by G.S. 7A-198 for reporting civil trials.

(b) The court shall inquire whether the juvenile's parents are present at the hearing and, if so, whether they are represented by counsel. If the parents are not represented by counsel, the court shall inquire whether the parents desire counsel but are indigent. In the event that the parents desire counsel but are indigent as defined in G.S. 7A-450(a) and are unable to obtain counsel to represent them, the court shall appoint counsel to represent them. The court shall grant the parents such an extension of time as is reasonable to permit their appointed counsel to prepare their defense to the termination petition. In the event that the parents do not desire counsel and are present at the hearing, the court shall examine each parent and make findings of fact sufficient to show that the waivers were knowing and voluntary. This examination shall be reported as provided in G.S. 7A-198.

(c) The court may, upon finding that reasonable cause exists, order the juvenile to be examined by a psychiatrist, a licensed clinical psychologist, a physician, a public or private agency, or any other expert in order that the juvenile's psychological or physical condition or needs may be ascertained or, in the case of a parent whose ability to care for the juvenile is at issue, the court may order a similar examination of any parent of the juvenile.

(d) The court may for good cause shown continue the hearing for such time as is required for receiving additional evidence, any reports or assessments which the court has requested, or any other information needed in the best interests of the juvenile.

(e) The court shall take evidence, find the facts, and shall adjudicate the existence or nonexistence of any of the circumstances set forth in G.S. 7B-1110 which authorize the termination of parental rights of the respondent.

(f) The burden in such proceedings shall be upon the petitioner and all findings of fact shall be based on clear, cogent, and convincing evidence. No husband-wife or physician-patient privilege shall be grounds for excluding any evidence regarding the existence or nonexistence of any circumstance authorizing the termination of parental rights.

"§ 7B-1109. Disposition.

(a) Should the court determine that any one or more of the conditions authorizing a termination of the parental rights of a parent exist, the court shall issue an order terminating the parental rights of such parent with respect to the juvenile unless the court shall further determine that the best interests of the juvenile require that the parental rights of the parent not be terminated.

(b) Should the court conclude that, irrespective of the existence of one or more circumstances authorizing termination of parental rights, the best interests of the juvenile require that rights should not be terminated, the court shall dismiss the petition, but only after setting forth the facts and conclusions upon which the dismissal is based.

(c) Should the court determine that circumstances authorizing termination of parental rights do not exist, the court shall dismiss the petition, making appropriate findings of fact and conclusions.

(d) Counsel for the petitioner shall serve a copy of the termination of parental rights order upon the guardian ad litem for the juvenile, if any, and upon the juvenile if the juvenile is 12 years of age or older.

(e) The court may tax the cost of the proceeding to any party.

"§ 7B-1110. Grounds for terminating parental rights.

(a) The court may terminate the parental rights upon a finding of one or more of the following:

(1) The parent has abused or neglected the juvenile. The juvenile shall be deemed to be abused or neglected if the court finds the juvenile to be an abused juvenile within the meaning of G.S. 7B-101 or a neglected juvenile within the meaning of G.S. 7B-101.

(2) The parent has willfully left the juvenile in foster care for more than 12 months without showing to the satisfaction of the court that reasonable progress under the circumstances has been made within 12 months in correcting those conditions which led to the removal of the juvenile. Provided, however, that no parental rights shall be terminated for the sole reason that the parents are unable to care for the juvenile on account of their poverty.

(3) The juvenile has been placed in the custody of a county department of social services, a licensed child-placing agency, a child-caring institution, or a foster home, and the parent, for a continuous period of six months next preceding the filing of the petition, has willfully failed for such period to pay a reasonable portion of the cost of care for the juvenile although physically and financially able to do so.

(4) One parent has been awarded custody of the juvenile by judicial decree or has custody by agreement of the parents, and the other parent whose parental rights are sought to be terminated has for a period of one year or more next preceding the filing of the petition willfully failed without justification to pay for the care, support, and education of the juvenile, as required by said decree or custody agreement.

(5) The father of a juvenile born out of wedlock has not, prior to the filing of a petition to terminate parental rights:

a. Established paternity judicially or by affidavit which has been filed in a central registry maintained by the Department of Health and Human Services; provided, the court shall inquire of the Department of Health and Human Services as to whether such an affidavit has been so filed and shall incorporate into the case record the Department's certified reply; or

b. Legitimated the juvenile pursuant to provisions of G.S. 49-10 or filed a petition for this specific purpose; or

c. Legitimated the juvenile by marriage to the mother of the juvenile; or

d. Provided substantial financial support or consistent care with respect to the juvenile and mother.

(6) That the parent is incapable of providing for the proper care and supervision of the juvenile, such that the juvenile is a dependent juvenile within the meaning of G.S. 7B-101, and that there is a reasonable probability that such incapability will continue for the foreseeable future. Incapability under this subdivision may be the result of substance abuse, mental retardation, mental illness, organic brain syndrome, or any other similar cause or condition.

(7) The parent has willfully abandoned the juvenile for at least six consecutive months immediately preceding the filing of the petition. For the purpose of this subdivision, a juvenile may be willfully abandoned by the juvenile's natural father if the mother of the juvenile had been willfully abandoned by and was living separate and apart from the father at the time of the juvenile's birth, although the father may not have known of such birth; but in any event the juvenile must be over the age of three months at the time of the filing of the petition.

(b) The burden in such proceedings shall be upon the petitioner to prove the facts justifying such termination by clear and convincing evidence.

"§ 7B-1111. Effects of termination order.

An order terminating the parental rights completely and permanently terminates all rights and obligations of the parent to the juvenile and of the juvenile to the parent arising from the parental relationship, except that the juvenile's right of inheritance from the juvenile's parent shall not terminate until a final order of adoption is issued. The parent is not thereafter entitled to notice of proceedings to adopt the juvenile and may not object thereto or otherwise participate therein:

(1) If the juvenile had been placed in the custody of or released for adoption by one parent to a county department of social services or licensed child- placing agency and is in the custody of the agency at the time of the filing of the petition, including a petition filed pursuant to G.S. 7B-1102(6), that agency shall, upon entry of the order terminating parental rights, acquire all of the rights for placement of the juvenile as the agency would have acquired had the parent whose rights are terminated released the juvenile to that agency pursuant to the provisions of Part 7 of Article 3 of Chapter 48 of the General Statutes, including the right to consent to the adoption of the juvenile.

(2) Except as provided in subdivision (1) above, upon entering an order terminating the parental rights of one or both parents, the court may place the juvenile in the custody of the petitioner, or some other suitable person, or in the custody of the department of social services or licensed child- placing agency, as may appear to be in the best interests of the juvenile.

"§ 7B-1112. Appeals; modification of order after affirmation.

Any juvenile, parent, guardian, custodian, or agency who is a party to a proceeding under this Article may appeal from an adjudication or any order of disposition to the Court of Appeals, provided that notice of appeal is given in open court at the time of the

hearing or in writing within 10 days after the hearing. Pending disposition of an appeal, the court may enter a temporary order affecting the custody or placement of the juvenile as the court finds to be in the best interests of the juvenile or the best interests of the State. Upon the affirmation of the order of adjudication or disposition of the court in a juvenile case by the Court of Appeals, or by the Supreme Court in the event of an appeal, the court shall have authority to modify or alter its original order of adjudication or disposition as the court finds to be in the best interests of the juvenile to reflect any adjustment made by the juvenile or change in circumstances during the period of time the case on appeal was pending, provided that if the modifying order be entered ex parte, the court shall give notice to interested parties to show cause, if any there be, within 10 days thereafter, as to why the modifying order should be vacated or altered.

"ARTICLE 12.

"Guardian ad Litem Program.

"§ 7B-1200. Office of Guardian ad Litem Services established.

There is established within the Administrative Office of the Courts an Office of Guardian ad Litem Services to provide services in accordance with G.S. 7B-601 to abused, neglected, or dependent juveniles involved in judicial proceedings and to assure that all participants in these proceedings are adequately trained to carry out their responsibilities. Each local program shall consist of volunteer guardians ad litem, at least one program attorney, a program coordinator who is a paid State employee, and any clerical staff as the Administrative Office of the Courts in consultation with the local program deems necessary. The Administrative Office of the Courts shall adopt rules and regulations necessary and appropriate for the administration of the program.

"§ 7B-1201. Implementation and administration.

(a) Local Programs. -- The Administrative Office of the Courts shall, in cooperation with each chief district court judge and other personnel in the district, implement and administer the program mandated by this Article. Where a local program has not yet been established in accordance with this Article, the district court district shall operate a guardian ad litem program approved by the Administrative Office of the Courts.

(b) Advisory Committee Established. -- The Director of the Administrative Office of the Courts shall appoint a Guardian ad Litem Advisory Committee consisting of at least five members to advise the Office of Guardian ad Litem Services in matters related to this program. The members of the Advisory Committee shall receive the same per diem and reimbursement for travel expenses as members of State boards and commissions generally.

"§ 7B-1202. Conflict of interest or impracticality of implementation.

If a conflict of interest prohibits a local program from providing representation to an abused, neglected, or dependent juvenile, the court may appoint any member of the district bar to represent the juvenile. If the Administrative Office of the Courts determines that within a particular district court district the implementation of a local program is impractical, or that an alternative plan meets the conditions of G.S. 7B-1203, the Administrative Office of the Courts shall waive the establishment of the program within the district.

"§ 7B-1203. Alternative plans.

A district court district shall be granted a waiver from the implementation of a local program if the Administrative Office of the Courts determines that the following conditions are met:

(1) An alternative plan has been developed to provide adequate guardian ad litem services for every juvenile consistent with the duties stated in G.S. 7B-601; and

(2) The proposed alternative plan will require no greater proportion of State funds than the district court district's abuse and neglect caseload represents to the State's abuse and neglect caseload. Computation of abuse and neglect caseloads shall include such factors as the juvenile population, number of substantiated abuse and neglect reports, number of abuse and neglect petitions, number of abused and neglected juveniles in care to be reviewed pursuant to G.S. 7B-906, nature of the district's district court caseload, and number of petitions to terminate parental rights.

When an alternative plan is approved pursuant to this section, the Administrative Office of the Courts shall retain authority to monitor implementation of the said plan in order to assure compliance with the requirements of this Article and G.S. 7B-601. In any district court district where the Administrative Office of the Courts determines that implementation of an alternative plan is not in compliance with the requirements of this section, the Administrative Office of the Courts may implement and administer a program authorized by this Article.

"§ 7B-1204. Civil liability of volunteers.

Any volunteer participating in a judicial proceeding pursuant to the program authorized by this Article shall not be civilly liable for acts or omissions committed in connection with the proceeding if the volunteer acted in good faith and was not guilty of gross negligence.

"ARTICLE 13.

"Prevention of Abuse and Neglect.

"§ 7B-1300. Purpose.

It is the expressed intent of this Article to make the prevention of abuse and neglect, as defined in G.S. 7B-101, a priority of this State and to establish the Children's Trust Fund as a means to that end.

"§ 7B-1301. Program on Prevention of Abuse and Neglect.

(a) The State Board of Education, through the Department of Public Instruction, shall implement the Program on Prevention of Abuse and Neglect. The Department of Public Instruction, subject to the approval of the State Board of Education, shall provide the staff and support services for implementing this program.

(b) In order to carry out the purposes of this Article:

(1) The Department of Public Instruction shall review applications and make recommendations to the State Board of Education concerning the awarding of contracts under this Article.

(2) The State Board of Education shall contract with public or private nonprofit organizations, agencies, schools, or with qualified individuals to operate community-based educational and service programs designed to prevent the occurrence of abuse and neglect. Every contract entered into by the State Board of Education shall contain provisions that at least twenty-five percent (25%) of the total funding required for a program be provided by the administering organization in the form of in-kind or other services and that a mechanism for evaluation of services provided under the contract be included in the services to be performed. In addition, every proposal to the Department of Public Instruction for funding under this Article shall include assurances that the proposal has been forwarded to the local department of social services for comment so that the Department of Public Instruction may consider coordination and duplication of effort on the local level as criteria in making

recommendations to the State Board of Education.

(3) The State Board of Education, with the assistance of the Department of Public Instruction, shall develop appropriate guidelines and criteria for awarding contracts under this Article. These criteria shall include, but are not limited to: documentation of need within the proposed geographical impact area; diversity of geographical areas of programs funded under this Article; demonstrated effectiveness of the proposed strategy or program for preventing abuse and neglect; reasonableness of implementation plan for achieving stated objectives; utilization of community resources including volunteers; provision for an evaluation component that will provide outcome data; plan for dissemination of the program for implementation in other communities; and potential for future funding from private sources.

(4) The State Board of Education, with the assistance of the Department of Public Instruction, shall develop guidelines for regular monitoring of contracts awarded under this Article in order to maximize the investments in prevention programs by the Children's Trust Fund and to establish appropriate accountability measures for administration of contracts.

(5) The State Board of Education shall develop a State plan for the prevention of abuse and neglect for submission to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

(c) To assist in implementing this Article, the State Board of Education may accept contributions, grants, or gifts in cash or otherwise from persons, associations, or corporations. All monies received by the State Board of Education from contributions, grants, or gifts and not through appropriation by the General Assembly shall be deposited in the Children's Trust Fund. Disbursements of the funds shall be on the authorization of the State Board of Education or that Board's duly authorized representative. In order to maintain an effective expenditure and revenue control, the funds are subject in all respects to State law and regulations, but no appropriation is required to permit expenditure of the funds.

(d) Programs contracted for under this Article are intended to prevent abuse and neglect of juveniles. Abuse and neglect prevention programs are defined to be those programs and services which impact on juveniles and families before any substantiated incident of abuse or neglect has occurred. These programs may include, but are not limited to:

(1) Community-based educational programs on prenatal care, perinatal bonding, child development, basic child care, care of children with special needs, and coping with family stress; and

(2) Community-based programs relating to crisis care, aid to parents, and support groups for parents and their children experiencing stress within the family unit.

(e) No more than twenty percent (20%) of each year's total awards may be utilized for funding State-level programs to coordinate community-based programs.

"§ 7B-1302. Children's Trust Fund.

There is established a fund to be known as the `Children's Trust Fund,' in the Department of State Treasurer, which shall be funded pursuant to G.S. 161-11.1, and which shall be used by the State Board of Education to fund abuse and neglect prevention programs so authorized by this Article.

"ARTICLE 14.

"North Carolina Child Fatality Prevention System.

"§ 7B-1400. Declaration of public policy.

The General Assembly finds that it is the public policy of this State to prevent the abuse, neglect, and death of juveniles. The General Assembly further finds that the prevention of the abuse, neglect, and death of juveniles is a community responsibility; that professionals from disparate disciplines have responsibilities for children or juveniles and have expertise that can promote their safety and well-being; and that multidisciplinary reviews of the abuse, neglect, and death of juveniles can lead to a greater understanding of the causes and methods of preventing these deaths. It is, therefore, the intent of the General Assembly, through this Article, to establish a statewide multidisciplinary, multiagency child fatality prevention system consisting of the State Team established in G.S. 7B-1404 and the Local Teams established in G.S. 7B-1406. The purpose of the system is to assess the records of selected cases in which children are being served by child protective services and the records of all deaths of children in North Carolina from birth to age 18 in order to (i) develop a communitywide approach to the problem of child abuse and neglect, (ii) understand the causes of childhood deaths, (iii) identify any gaps or deficiencies that may exist in the delivery of services to children and their families by public agencies that are designed to prevent future child abuse, neglect, or death, and (iv) make and implement recommendations for changes to laws, rules, and policies that will support the safe and healthy development of our children and prevent future child abuse, neglect, and death.

"§ 7B-1401. Definitions.

The following definitions apply in this Article:

(1) Additional Child Fatality. -- Any death of a child that did not result from suspected abuse or neglect and about which no report of abuse or neglect had been made to the county department of social services within the previous 12 months.

(2) Local Team. -- A Community Child Protection Team or a Child Fatality Prevention Team.

(3) State Team. -- The North Carolina Child Fatality Prevention Team.

(4) Task Force. -- The North Carolina Child Fatality Task Force.

(5) Team Coordinator. -- The Child Fatality Prevention Team Coordinator.

"§ 7B-1402. Task Force -- creation; membership; vacancies.

(a) There is created the North Carolina Child Fatality Task Force within the Department of Health and Human Services for budgetary purposes only.

(b) The Task Force shall be composed of 35 members, 11 of whom shall be ex officio members, four of whom shall be appointed by the Governor, 10 of whom shall be appointed by the Speaker of the House of Representatives, and 10 of whom shall be appointed by the President Pro Tempore of the Senate. The ex officio members other than the Chief Medical Examiner shall be nonvoting members and may designate representatives from their particular departments, divisions, or offices to represent them on the Task Force. The members shall be as follows:

(1) The Chief Medical Examiner;

(2) The Attorney General;

(3) The Director of the Division of Social Services;

(4) The Director of the State Bureau of Investigation;

(5) The Director of the Division of Maternal and Child Health of the Department of Health and Human Services;

(6) The Director of the Governor's Youth Advocacy and Involvement

Office;

(7) The Superintendent of Public Instruction;

(8) The Chairman of the State Board of Education;

(9) The Director of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services;

(10) The Secretary of the Department of Health and Human Services;

(11) The Director of the Administrative Office of the Courts;

(12) A director of a county department of social services, appointed by the Governor upon recommendation of the President of the North Carolina Association of County Directors of Social Services;

(13) A representative from a Sudden Infant Death Syndrome counseling and education program, appointed by the Governor upon recommendation of the Director of the Division of Maternal and Child Health of the Department of Health and Human Services;

(14) A representative from the North Carolina Child Advocacy Institute, appointed by the Governor upon recommendation of the President of the Institute;

(15) A director of a local department of health, appointed by the Governor upon the recommendation of the President of the North Carolina Association of Local Health Directors;

(16) A representative from a private group, other than the North Carolina Child Advocacy Institute, that advocates for children, appointed by the Speaker of the House of Representatives upon recommendation of private child advocacy organizations;

(17) A pediatrician, licensed to practice medicine in North Carolina, appointed by the Speaker of the House of Representatives upon recommendation of the North Carolina Pediatric Society;

(18) A representative from the North Carolina League of Municipalities, appointed by the Speaker of the House of Representatives upon recommendation of the League;

(19) Two public members, appointed by the Speaker of the House of Representatives;

(20) A county or municipal law enforcement officer, appointed by the President Pro Tempore of the Senate upon recommendation of organizations that represent local law enforcement officers;

(21) A district attorney, appointed by the President Pro Tempore of the Senate upon recommendation of the President of the North Carolina Conference of District Attorneys;

(22) A representative from the North Carolina Association of County Commissioners, appointed by the President Pro Tempore of the Senate upon recommendation of the Association;

(23) Two public members, appointed by the President Pro Tempore of the Senate; and

(24) Five members of the Senate, appointed by the President Pro Tempore of the Senate, and five members of the House of Representatives, appointed by the Speaker of the House of Representatives.

(c) All members of the Task Force are voting members. Vacancies in the appointed membership shall be filled by the appointing officer who made the initial appointment. Terms shall be two years. The members shall elect a chair who shall preside for the duration of the chair's term as member. In the event a vacancy occurs in the chair before

the expiration of the chair's term, the members shall elect an acting chair to serve for the remainder of the unexpired term.

"§ 7B-1403. Task Force -- duties.

The Task Force shall:

(1) Undertake a statistical study of the incidences and causes of child deaths in this State and establish a profile of child deaths. The study shall include (i) an analysis of all community and private and public agency involvement with the decedents and their families prior to death, and (ii) an analysis of child deaths by age, cause, and geographic distribution;

(2) Develop a system for multidisciplinary review of child deaths. In developing such a system, the Task Force shall study the operation of existing Local Teams. The Task Force shall also consider the feasibility and desirability of local or regional review teams and, should it determine such teams to be feasible and desirable, develop guidelines for the operation of the teams. The Task Force shall also examine the laws, rules, and policies relating to confidentiality of and access to information that affect those agencies with responsibilities for children, including State and local health, mental health, social services, education, and law enforcement agencies, to determine whether those laws, rules, and policies inappropriately impede the exchange of information necessary to protect children from preventable deaths, and, if so, recommend changes to them;

(3) Receive and consider reports from the State Team; and

(4) Perform any other studies, evaluations, or determinations the Task Force considers necessary to carry out its mandate.

"§ 7B-1404. State Team -- creation; membership; vacancies.

(a) There is created the North Carolina Child Fatality Prevention Team within the Department of Health and Human Services for budgetary purposes only.

(b) The State Team shall be composed of the following 11 members of whom nine members are ex officio and two are appointed:

(1) The Chief Medical Examiner, who shall chair the State Team;

(2) The Attorney General;

(3) The Director of the Division of Social Services, Department of Health and Human Services;

(4) The Director of the State Bureau of Investigation;

(5) The Director of the Division of Maternal and Child Health of the Department of Health and Human Services;

(6) The Superintendent of Public Instruction;

(7) The Director of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, Department of Health and Human Services;

(8) The Director of the Administrative Office of the Courts;

(9) The pediatrician appointed pursuant to G.S. 7B- 1402(b) to the Task Force;

(10) A public member, appointed by the Governor; and

(11) The Team Coordinator.

The ex officio members other than the Chief Medical Examiner may designate a representative from their departments, divisions, or offices to represent them on the State Team.

(c) All members of the State Team are voting members. Vacancies in the appointed

membership shall be filled by the appointing officer who made the initial appointment.

"§ 7B-1405. State Team -- duties.

The State Team shall:

(1) Review current deaths of children when those deaths are attributed to child abuse or neglect or when the decedent was reported as an abused or neglected juvenile pursuant to G.S. 7B-301 at any time before death;

(2) Report to the Task Force during the existence of the Task Force, in the format and at the time required by the Task Force, on the State Team's activities and its recommendations for changes to any law, rule, and policy that would promote the safety and well-being of children;

(3) Upon request of a Local Team, provide technical assistance to the Team;

(4) Periodically assess the operations of the multidisciplinary child fatality prevention system and make recommendations for changes as needed;

(5) Work with the Team Coordinator to develop guidelines for selecting child deaths to receive detailed, multidisciplinary death reviews by Local Teams that review cases of additional child fatalities; and

(6) Receive reports of findings and recommendations from Local Teams that review cases of additional child fatalities and work with the Team Coordinator to implement recommendations.

"§ 7B-1406. Community Child Protection Teams; Child Fatality Prevention Teams; creation and duties.

(a) Community Child Protection Teams are established in every county of the State. Each Community Child Protection Team shall:

(1) Review, in accordance with the procedures established by the director of the county department of social services under G.S. 7B-1409:

a. Selected active cases in which children are being served by child protective services; and

b. Cases in which a child died as a result of suspected abuse or neglect, and

1. A report of abuse or neglect has been made about the child or the child's family to the county department of social services within the previous 12 months, or

2. The child or the child's family was a recipient of child protective services within the previous 12 months.

(2) Submit annually to the board of county commissioners recommendations, if any, and advocate for system improvements and needed resources where gaps and deficiencies may exist.

In addition, each Community Child Protection Team may review the records of all additional child fatalities and report findings in connection with these reviews to the Team Coordinator.

(b) Any Community Child Protection Team that determines it will not review additional child fatalities shall notify the Team Coordinator. In accordance with the plan established under G.S. 7B-1408(1), a separate Child Fatality Prevention Team shall be established in that county to conduct these reviews. Each Child Fatality Prevention Team shall:

(1) Review the records of all cases of additional child fatalities.

(2) Submit annually to the board of county commissioners recommendations, if any, and advocate for system improvements and needed resources where gaps and deficiencies may exist.

(3) Report findings in connection with these reviews to the Team Coordinator.

(c) All reports to the Team Coordinator under this section shall include:

(1) A listing of the system problems identified through the review process and recommendations for preventive actions;

(2) Any changes that resulted from the recommendations made by the Local Team;

(3) Information about each death reviewed; and

(4) Any additional information requested by the Team Coordinator.

"§ 7B-1407. Local Teams; composition.

(a) Each Local Team shall consist of representatives of public and nonpublic agencies in the community that provide services to children and their families and other individuals who represent the community. No single team shall encompass a geographic or governmental area larger than one county.

(b) Each Local Team shall consist of the following persons:

(1) The director of the county department of social services and a member of the director's staff;

(2) A local law enforcement officer, appointed by the board of county commissioners;

(3) An attorney from the district attorney's office, appointed by the district attorney;

(4) The executive director of the local community action agency, as defined by the Department of Health and Human Services, or the executive director's designee;

(5) The superintendent of each local school administrative unit located in the county, or the superintendent's designee;

(6) A member of the county board of social services, appointed by the chair of that board;

(7) A local mental health professional, appointed by the director of the area authority established under Chapter 122C of the General Statutes;

(8) The local guardian ad litem coordinator, or the coordinator's designee;

(9) The director of the local department of public health; and

(10) A local health care provider, appointed by the local board of health.

(c) In addition, a Local Team that reviews the records of additional child fatalities shall include the following five additional members:

(1) An emergency medical services provider or firefighter, appointed by the board of county commissioners;

(2) A district court judge, appointed by the chief district court judge in that district;

(3) A county medical examiner, appointed by the Chief Medical Examiner;

(4) A representative of a local child care facility or Head Start program, appointed by the director of the county department of social services; and

(5) A parent of a child who died before reaching the child's eighteenth birthday, to be appointed by the board of county commissioners.

(d) The Team Coordinator shall serve as an ex officio member of each Local Team that reviews the records of additional child fatalities. The board of county commissioners may appoint a maximum of five additional members to represent county agencies or the community at large to serve on any Local Team. Vacancies on a Local Team shall be filled by the original appointing authority.

(e) Each Local Team shall elect a member to serve as chair at the Team's pleasure.

(f) Each Local Team shall meet at least four times each year.

(g) The director of the local department of social services shall call the first meeting of the Community Child Protection Team. The director of the local department of health, upon consultation with the Team Coordinator, shall call the first meeting of the Child Fatality Prevention Team. Thereafter, the chair of each Local Team shall schedule the time and place of meetings, in consultation with these directors, and shall prepare the agenda. The chair shall schedule Team meetings no less often than once per quarter and often enough to allow adequate review of the cases selected for review. Within three months of election, the chair shall participate in the appropriate training developed under this Article.

"§ 7B-1408. Child Fatality Prevention Team Coordinator; duties.

The Child Fatality Prevention Team Coordinator shall serve as liaison between the State Team and the Local Teams that review records of additional child fatalities and shall provide technical assistance to these Local Teams. The Team Coordinator shall:

(1) Develop a plan to establish Local Teams that review the records of additional child fatalities in each county.

(2) Develop model operating procedures for these Local Teams that address when public meetings should be held, what items should be addressed in public meetings, what information may be released in written reports, and any other information the Team Coordinator considers necessary.

(3) Provide structured training for these Local Teams at the time of their establishment, and continuing technical assistance thereafter.

(4) Provide statistical information on all child deaths occurring in each county to the appropriate Local Team, and assure that all child deaths in a county are assessed through the multidisciplinary system.

(5) Monitor the work of these Local Teams.

(6) Receive reports of findings, and other reports that the Team Coordinator may require, from these Local Teams.

(7) Report the aggregated findings of these Local Teams to each Local Team that reviews the records of additional child fatalities and to the State Team.

(8) Evaluate the impact of local efforts to identify problems and make changes.

"§ 7B-1409. Community Child Protection Teams; duties of the director of the county department of social services.

In addition to any other duties as a member of the Community Child Protection Team, and in connection with the reviews under G.S. 7B-1406(a)(1), the director of the county department of social services shall:

(1) Assure the development of written operating procedures in connection with these reviews, including frequency of meetings, confidentiality policies, training of members, and duties and responsibilities of members;

(2) Assure that the Team defines the categories of cases that are subject to its review;

(3) Determine and initiate the cases for review;

(4) Bring for review any case requested by a Team member;

(5) Provide staff support for these reviews;

(6) Maintain records, including minutes of all official meetings, lists of participants for each meeting of the Team, and signed confidentiality

statements required under G.S. 7B-1413, in compliance with applicable rules and law; and

(7) Report quarterly to the county board of social services, or as required by the board, on the activities of the Team.

"§ 7B-1410. Local Teams; duties of the director of the local department of health.

In addition to any other duties as a member of the Local Team and in connection with reviews of additional child fatalities, the director of the local department of health shall:

(1) Distribute copies of the written procedures developed by the Team Coordinator under G.S. 7B- 1408 to the administrators of all agencies represented on the Local Team and to all members of the Local Team;

(2) Maintain records, including minutes of all official meetings, lists of participants for each meeting of the Local Team, and signed confidentiality statements required under G.S. 7B-1413, in compliance with applicable rules and law;

(3) Provide staff support for these reviews; and

(4) Report quarterly to the local board of health, or as required by the board, on the activities of the Local Team.

"§ 7B-1411. Community Child Protection Teams; responsibility for training of team members.

The Division of Social Services, Department of Health and Human Services, shall develop and make available, on an ongoing basis, for the members of Local Teams that review active cases in which children are being served by child protective services, training materials that address the role and function of the Local Team, confidentiality requirements, an overview of child protective services law and policy, and Team record keeping.

"§ 7B-1412. Task Force -- reports.

The Task Force shall report annually to the Governor and General Assembly, within the first week of the convening or reconvening of the General Assembly. The report shall contain at least a summary of the conclusions and recommendations for each of the Task Force's duties, as well as any other recommendations for changes to any law, rule, or policy that it has determined will promote the safety and well-being of children. Any recommendations of changes to law, rule, or policy shall be accompanied by specific legislative or policy proposals and detailed fiscal notes setting forth the costs to the State.

"§ 7B-1413. Access to records.

(a) The State Team, the Local Teams, and the Task Force during its existence, shall have access to all medical records, hospital records, and records maintained by this State, any county, or any local agency as necessary to carry out the purposes of this Article, including police investigations data, medical examiner investigative data, health records, mental health records, and social services records. The State Team, the Task Force, and the Local Teams shall not, as part of the reviews authorized under this Article, contact, question, or interview the child, the parent of the child, or any other family member of the child whose record is being reviewed. Any member of a Local Team may share, only in an official meeting of that Local Team, any information available to that member that the Local Team needs to carry out its duties.

(b) Meetings of the State Team and the Local Teams are not subject to the provisions of Article 33C of Chapter 143 of the General Statutes. However, the Local Teams may hold periodic public meetings to discuss, in a general manner not revealing confidential information about children and families, the findings of their reviews and their recommendations for preventive actions. Minutes of all public meetings, excluding those of executive sessions, shall be kept in compliance with Article 33C of Chapter 143 of the

General Statutes. Any minutes or any other information generated during any closed session shall be sealed from public inspection.

(c) All otherwise confidential information and records acquired by the State Team, the Local Teams, and the Task Force during its existence, in the exercise of their duties are confidential; are not subject to discovery or introduction into evidence in any proceedings; and may only be disclosed as necessary to carry out the purposes of the State Team, the Local Teams, and the Task Force. In addition, all otherwise confidential information and records created by a Local Team in the exercise of its duties are confidential; are not subject to discovery or introduction into evidence in any proceedings; and may only be disclosed as necessary to carry out the purposes of the Local Team. No member of the State Team, a Local Team, nor any person who attends a meeting of the State Team or a Local Team, may testify in any proceeding about what transpired at the meeting, about information presented at the meeting, or about opinions formed by the person as a result of the meetings. This subsection shall not, however, prohibit a person from testifying in a civil or criminal action about matters within that person's independent knowledge.

(d) Each member of a Local Team and invited participant shall sign a statement indicating an understanding of and adherence to confidentiality requirements, including the possible civil or criminal consequences of any breach of confidentiality.

(e) Cases receiving child protective services at the time of review by a Local Team shall have an entry in the child's protective services record to indicate that the case was received by that Team. Additional entry into the record shall be at the discretion of the director of the county department of social services.

(f) The Social Services Commission shall adopt rules to implement this section in connection with reviews conducted by Community Child Protection Teams. The Health Services Commission shall adopt rules to implement this section in connection with Local Teams that review additional child fatalities. In particular, these rules shall allow information generated by an executive session of a Local Team to be accessible for administrative or research purposes only.

"§ 7B-1414. Administration; funding.

(a) To the extent of funds available, the chairs of the Task Force and State Team may hire staff or consultants to assist the Task Force and the State Team in completing their duties.

(b) Members, staff, and consultants of the Task Force or State Team shall receive travel and subsistence expenses in accordance with the provisions of G.S. 138-5 or G.S. 138-6, as the case may be, paid from funds appropriated to implement this Article and within the limits of those funds.

(c) With the approval of the Legislative Services Commission, legislative staff and space in the Legislative Building and the Legislative Office Building may be made available to the Task Force.

"SUBCHAPTER II. UNDISCIPLINED AND DELINQUENT JUVENILES.

"ARTICLE 15.

"Purposes; Definitions.

"§ 7B-1500. Purpose.

This Subchapter shall be interpreted and construed so as to implement the following purposes and policies:

(1) To protect the public from acts of delinquency.

(2) To deter delinquency and crime, including patterns of repeat offending:

a. By providing swift, effective dispositions that emphasize the juvenile offender's accountability for the juvenile's actions; and

b. By providing appropriate rehabilitative services to juveniles and their families.

(3) To provide an effective system of intake services for the screening and evaluation of complaints and, in appropriate cases, where court intervention is not necessary to ensure public safety, to refer juveniles to community-based resources.

(4) To provide uniform procedures that assure fairness and equity; that protect the constitutional rights of juveniles, parents, and victims; and that encourage the court and others involved with juvenile offenders to proceed with all possible speed in making and implementing determinations required by this Subchapter.

"§ 7B-1501. Definitions.

In this Subchapter, unless the context clearly requires otherwise, the following words have the listed meanings:

(1) Chief court counselor. -- The person responsible for administration and supervision of juvenile intake, probation, and post-release supervision in each judicial district, operating under the supervision of the Office of Juvenile Justice.

(2) Clerk. -- Any clerk of superior court, acting clerk, or assistant or deputy clerk.

(3) Community-based program. -- A program providing nonresidential or residential treatment to a juvenile under the jurisdiction of the juvenile court in the community where the juvenile's family lives. A community-based program may include specialized foster care, family counseling, shelter care, and other appropriate treatment.

(4) Court. -- The district court division of the General Court of Justice.

(5) Court counselor. -- A person responsible for probation and post-release supervision to juveniles under the supervision of the chief court counselor.

(6) Custodian. -- The person or agency that has been awarded legal custody of a juvenile by a court.

(7) Delinquent juvenile. -- Any juvenile who, while less than 16 years of age but at least 6 years of age, commits a crime or infraction under State law or under an ordinance of local government, including violation of the motor vehicle laws.

(8) Detention. -- The secure confinement of a juvenile pursuant to a court order.

(9) Detention facility. -- A facility approved to provide secure confinement and care for juveniles. Detention facilities include both State and locally administered detention homes, centers, and facilities.

(10) District. -- Any district court district as established by G.S. 7A-133.

(11) Holdover facility. -- A place in a jail which has been approved by the Department of Health and Human Services as meeting the State standards for detention as required in G.S. 153A-221 providing close supervision where the juvenile cannot converse with, see, or be seen by the adult population.

(12) House arrest. -- A requirement that the juvenile remain at the juvenile's residence unless the court or the juvenile court counselor authorizes the juvenile to leave for specific purposes.

(13) Intake counselor. -- A person who screens and evaluates a complaint

alleging that a juvenile is delinquent or undisciplined to determine whether the complaint should be filed as a petition.

(14) Interstate Compact on Juveniles. -- An agreement ratified by 50 states and the District of Columbia providing a formal means of returning a juvenile, who is an absconder, escapee, or runaway, to the juvenile's home state, and codified in Article 28 of this Chapter.

(15) Judge. -- Any district court judge.

(16) Judicial district. -- Any district court district as established by G.S. 7A-133.

(17) Juvenile. -- Except as provided in subdivisions (7) and (27) of this section, any person who has not reached the person's eighteenth birthday and is not married, emancipated, or a member of the armed forces of the United States. Wherever the term `juvenile' is used with reference to rights and privileges, that term encompasses the attorney for the juvenile as well.

(18) Juvenile court. -- Any district court exercising jurisdiction pursuant to this Chapter.

(19) Office. -- The Office of Juvenile Justice.

(20) Petitioner. -- The individual who initiates court action by the filing of a petition or a motion for review alleging the matter for adjudication.

(21) Post-release supervision. -- The supervision of a juvenile who has been returned to the community after having been committed to the Office for placement in a training school.

(22) Probation. -- The status of a juvenile who has been adjudicated delinquent, is subject to specified conditions under the supervision of a court counselor, and may be returned to the court for violation of those conditions during the period of probation.

(23) Prosecutor. -- The district attorney or assistant district attorney assigned by the district attorney to juvenile proceedings.

(24) Protective supervision. -- The status of a juvenile who has been adjudicated undisciplined and is under the supervision of a court counselor.

(25) Teen court program. -- A community resource for the diversion of cases in which a juvenile has allegedly committed certain offenses for hearing by a jury of the juvenile's peers, which may assign the juvenile to counseling, restitution, curfews, community service, or other rehabilitative measures.

(26) Training school. -- A secure residential facility authorized to provide long-term treatment, education, and rehabilitative services for delinquent juveniles committed by the court to the Office of Juvenile Justice.

(27) Undisciplined juvenile. --

a. A juvenile who, while less than 16 years of age but at least 6 years of age, is unlawfully absent from school; or is regularly disobedient to and beyond the disciplinary control of the juvenile's parent, guardian, or custodian; or is regularly found in places where it is unlawful for a juvenile to be; or has run away from home for a period of more than 24 hours; or

b. A juvenile who is 16 or 17 years of age and who is regularly disobedient to and beyond the disciplinary control of the juvenile's parent, guardian, or custodian; or is regularly found in places where

it is unlawful for a juvenile to be; or has run away from home for a period of more than 24 hours.

(28) Wilderness program. -- A rehabilitative residential treatment program in a rural or outdoor setting.

The singular includes the plural, unless otherwise specified.

"ARTICLE 16.

"Jurisdiction.

"§ 7B-1600. Jurisdiction over undisciplined juveniles.

(a) The court has exclusive, original jurisdiction over any case involving a juvenile who is alleged to be undisciplined. For purposes of determining jurisdiction, the age of the juvenile at the time of the alleged offense governs.

(b) When the court obtains jurisdiction over a juvenile under this section, jurisdiction shall continue until terminated by order of the court, the juvenile reaches the age of 18 years, or the juvenile is emancipated.

(c) The court has jurisdiction over the parent, guardian, or custodian of a juvenile who is under the jurisdiction of the court pursuant to this section, if the parent, guardian, or custodian has been served with a summons pursuant to G.S. 7B- 1805.

"§ 7B-1601. Jurisdiction over delinquent juveniles.

(a) The court has exclusive, original jurisdiction over any case involving a juvenile who is alleged to be delinquent. For purposes of determining jurisdiction, the age of the juvenile at the time of the alleged offense governs.

(b) When the court obtains jurisdiction over a juvenile alleged to be delinquent, jurisdiction shall continue until terminated by order of the court or until the juvenile reaches the age of 18 years, except as provided otherwise in this Article.

(c) When delinquency proceedings cannot be concluded before the juvenile reaches the age of 18 years, the court retains jurisdiction for the sole purpose of conducting proceedings pursuant to Article 22 of this Chapter and either transferring the case to superior court for trial as an adult or dismissing the petition.

(d) When the court has not obtained jurisdiction over a juvenile before the juvenile reaches the age of 18, for a felony and any related misdemeanors the juvenile allegedly committed on or after the juvenile's thirteenth birthday and prior to the juvenile's sixteenth birthday, the court has jurisdiction for the sole purpose of conducting proceedings pursuant to Article 22 of this Chapter and either transferring the case to superior court for trial as an adult or dismissing the petition.

(e) The court has jurisdiction over delinquent juveniles in the custody of the Office and over proceedings to determine whether a juvenile who is under the post-release supervision of the court counselor has violated the terms of the juvenile's post-release supervision.

(f) The court has jurisdiction over persons 18 years of age or older who are under the extended jurisdiction of the juvenile court.

(g) The court has jurisdiction over the parent, guardian, or custodian of a juvenile who is under the jurisdiction of the court pursuant to this section if the parent, guardian, or custodian has been served with a summons pursuant to G.S. 7B- 1805.

"§ 7B-1602. Extended jurisdiction over a delinquent juvenile under certain circumstances.

(a) When a juvenile is committed to the Office for placement in a training school for an offense that would be first degree murder pursuant to G.S. 14-17, first-degree rape pursuant to G.S. 14-27.2, or first-degree sexual offense pursuant to G.S. 14-27.4 if committed by an adult, jurisdiction shall continue until terminated by order of the court or until the juvenile reaches the age of 21 years, whichever occurs first.

(b) When a juvenile is committed to the Office for placement in a training school for an offense that would be a Class B1, B2, C, D, or E felony if committed by an adult, other than an offense set forth in subsection (a) of this section, jurisdiction shall continue until terminated by order of the court or until the juvenile reaches the age of 19 years, whichever occurs first.

"§ 7B-1603. Jurisdiction in certain circumstances.

The court has exclusive original jurisdiction of the following proceedings:

(1) Proceedings under the Interstate Compact on the Placement of Children set forth in Article 38 of this Chapter;

(2) Proceedings involving judicial consent for emergency surgical or medical treatment for a juvenile when the juvenile's parent, guardian, custodian, or person who has assumed the status and obligation of a parent without being awarded legal custody of the juvenile by a court refuses to consent for treatment to be rendered; and

(3) Proceedings to determine whether a juvenile should be emancipated.

"§ 7B-1604. Limitations on juvenile court jurisdiction.

(a) Any juvenile, including a juvenile who is under the jurisdiction of the court, who commits a criminal offense on or after the juvenile's sixteenth birthday is subject to prosecution as an adult. A juvenile who is emancipated shall be prosecuted as an adult for the commission of a criminal offense.

(b) A juvenile who is transferred to and convicted in superior court shall be prosecuted as an adult for any criminal offense the juvenile commits after the superior court conviction.

"ARTICLE 17.

"Screening of Delinquency and Undisciplined Complaints.

"§ 7B-1700. Intake services.

The chief court counselor, under the direction of the Office, shall establish intake services in each judicial district of the State for all delinquency and undisciplined cases.

The purpose of intake services shall be to determine from available evidence whether there are reasonable grounds to believe the facts alleged are true, to determine whether the facts alleged constitute a delinquent or undisciplined offense within the jurisdiction of the court, to determine whether the facts alleged are sufficiently serious to warrant court action, and to obtain assistance from community resources when court referral is not necessary. The intake counselor shall not engage in field investigations to substantiate complaints or to produce supplementary evidence but may refer complainants to law enforcement agencies for those purposes.

"§ 7B-1701. Preliminary inquiry.

When a complaint is received, the intake counselor shall make a preliminary determination as to whether the juvenile is within the jurisdiction of the court as a delinquent or undisciplined juvenile. If the intake counselor finds that the facts contained in the complaint do not state a case within the jurisdiction of the court, that legal sufficiency has not been established, or that the matters alleged are frivolous, the intake counselor, without further inquiry, shall refuse authorization to file the complaint as a petition.

When requested by the intake counselor, the prosecutor shall assist in determining the sufficiency of evidence as it affects the quantum of proof and the elements of offenses.

The intake counselor, without further inquiry, shall authorize the complaint to be filed as a petition if the intake counselor finds reasonable grounds to believe that the juvenile has committed one of the following nondivertible offenses:

(1) Murder;

(2) First-degree rape or second degree rape;
(3) First-degree sexual offense or second degree sexual offense;
(4) Arson;
(5) Any violation of Article 5, Chapter 90 of the General Statutes that would constitute a felony if committed by an adult;
(6) First degree burglary;
(7) Crime against nature; or
(8) Any felony which involves the willful infliction of serious bodily injury upon another or which was committed by use of a deadly weapon.

"§ 7B-1702. Evaluation.

Upon a finding of legal sufficiency, except in cases involving nondivertible offenses set out in G.S. 7B-1701, the intake counselor shall determine whether a complaint should be filed as a petition, the juvenile diverted pursuant to G.S. 7B-1706, or the case resolved without further action. In making the decision, the counselor shall consider criteria provided by the Office. The intake process shall include the following steps if practicable:

(1) Interviews with the complainant and the victim if someone other than the complainant;
(2) Interviews with the juvenile and the juvenile's parent, guardian, or custodian;
(3) Interviews with persons known to have relevant information about the juvenile or the juvenile's family.

Interviews required by this section shall be conducted in person unless it is necessary to conduct them by telephone.

"§ 7B-1703. Evaluation decision.

(a) The intake counselor shall complete evaluation of a complaint within 15 days of receipt of the complaint, with an extension for a maximum of 15 additional days at the discretion of the chief court counselor. The intake counselor shall decide within this time period whether a complaint shall be filed as a juvenile petition.

(b) Except as provided in G.S. 7B-1706, if the intake counselor determines that a complaint should be filed as a petition, the counselor shall file the petition as soon as practicable, but in any event within 15 days after the complaint is received, with an extension for a maximum of 15 additional days at the discretion of the chief court counselor. The intake counselor shall assist the complainant when necessary with the preparation and filing of the petition, shall include on it the date and the words `Approved for Filing', shall sign it, and shall transmit it to the clerk of superior court.

(c) If the intake counselor determines that a petition should not be filed, the intake counselor shall notify the complainant immediately in writing with reasons for the decision and shall include notice of the complainant's right to have the decision reviewed by the prosecutor. The intake counselor shall sign the complaint after indicating on it:

(1) The date of the determination;
(2) The words `Not Approved for Filing'; and
(3) Whether the matter is `Closed' or `Diverted and Retained'.

Except as provided in G.S. 7B-1706, any complaint not approved for filing as a juvenile petition shall be destroyed by the intake counselor after holding the complaint for a temporary period to allow review as provided in G.S. 7B-1705.

"§ 7B-1704. Request for review by prosecutor.

The complainant has five calendar days, from receipt of the intake counselor's decision not to approve the filing of a petition, to request review by the prosecutor. The intake counselor shall notify the prosecutor immediately of such request and shall transmit to the prosecutor a copy of the complaint. The prosecutor shall notify the complainant and

the intake counselor of the time and place for the review.

"§ 7B-1705. Review of determination that petition should not be filed.

No later than 20 days after the complainant is notified, the prosecutor shall review the intake counselor's determination that a juvenile petition should not be filed. Review shall include conferences with the complainant and the intake counselor. At the conclusion of the review, the prosecutor shall: (i) affirm the decision of the intake counselor or direct the filing of a petition and (ii) notify the complainant of the prosecutor's action.

"§ 7B-1706. Diversion plans and referral.

(a) Unless the offense is one in which a petition is required by G.S. 7B-1701, upon a finding of legal sufficiency the intake counselor may divert the juvenile pursuant to a diversion plan, which may include referring the juvenile to any of the following resources:

(1) An appropriate public or private resource;
(2) Restitution;
(3) Community service;
(4) Victim-offender mediation;
(5) Regimented physical training;
(6) Counseling;
(7) A teen court program, as set forth in subsection (c) of this section.

As part of a diversion plan, the intake counselor may enter into a diversion contract with the juvenile and the juvenile's parent, guardian, or custodian.

(b) Unless the offense is one in which a petition is required by G.S. 7B-1701, upon a finding of legal sufficiency the intake counselor may enter into a diversion contract with the juvenile and the parent, guardian, or custodian; provided, a diversion contract requires the consent of the juvenile and the juvenile's parent, guardian, or custodian. A diversion contract shall:

(1) State conditions by which the juvenile agrees to abide and any actions the juvenile agrees to take;
(2) State conditions by which the parent, guardian, or custodian agrees to abide and any actions the parent, guardian, or custodian agrees to take;
(3) Describe the role of the court counselor in relation to the juvenile and the parent, guardian, or custodian;
(4) Specify the length of the contract, which shall not exceed six months;
(5) Indicate that all parties understand and agree that:
    a. The juvenile's violation of the contract may result in the filing of the complaint as a petition; and
    b. The juvenile's successful completion of the contract shall preclude the filing of a petition.

After a diversion contract is signed by the parties, the intake counselor shall provide copies of the contract to the juvenile and the juvenile's parent, guardian, or custodian. The intake counselor shall notify any agency or other resource from which the juvenile or the juvenile's parent, guardian, or custodian will be seeking services or treatment pursuant to the terms of the contract. At any time during the term of the contract if the court counselor determines that the juvenile has failed to comply substantially with the terms of the contract, the court counselor may file the complaint as a petition. Unless the court counselor has filed the complaint as a petition, the intake counselor shall close the juvenile's file in regard to the diverted matter within six months after the date of the contract.

(c) If a teen court program has been established in the district, the intake counselor, upon a finding of legal sufficiency, may refer to a teen court program, any case in which a

juvenile has allegedly committed an offense that would be an infraction or misdemeanor if committed by an adult. However, the intake counselor shall not refer a case to a teen court program (i) if the juvenile has been referred to a teen court program previously, or (ii) if the juvenile is alleged to have committed any of the following offenses:

(1) Driving while impaired under G.S. 20-138.1, 20- 138.2, 20-138.3, 20-138.5, or 20-138.7, or any other motor vehicle violation;

(2) A Class A1 misdemeanor;

(3) An assault in which a weapon is used; or

(4) A controlled substance offense under Article 5 of Chapter 90 of the General Statutes, other than simple possession of a Schedule VI drug or alcohol.

(d) The intake counselor shall maintain diversion plans and contracts entered into pursuant to this section to allow intake counselors to determine when a juvenile has had a complaint diverted previously. Diversion plans and contracts are not public records under Chapter 132 of the General Statutes, shall not be included in the clerk's record pursuant to G.S. 7B-3000, and shall be withheld from public inspection or examination. Diversion plans and contracts shall be destroyed when the juvenile reaches the age of 18 years or when the juvenile is no longer under the jurisdiction of the court, whichever is longer.

(e) No later than 60 days after the intake counselor diverts a juvenile, the intake counselor shall determine whether the juvenile and the juvenile's parent, guardian, or custodian have complied with the terms of the diversion plan or contract. In making this determination, the intake counselor shall contact any referral resources to determine whether the juvenile and the juvenile's parent, guardian, or custodian complied with any recommendations for treatment or services made by the resource. If the juvenile and the juvenile's parent, guardian, or custodian have not complied, the intake counselor shall reconsider the decision to divert and may authorize the filing of the complaint as a petition within 10 days after making the determination. If the intake counselor does not file a petition, the intake counselor may continue to monitor the case for up to six months from the date of the diversion plan or contract. At any point during that time period if the juvenile and the juvenile's parent, guardian, or custodian fail to comply, the intake counselor shall reconsider the decision to divert and may authorize the filing of the complaint as a petition. After six months, the intake counselor shall close the diversion plan or contract file.

"ARTICLE 18.

"Venue; Petition; Summons.

"§ 7B-1800. Venue.

A proceeding in which a juvenile is alleged to be delinquent or undisciplined shall be commenced and adjudicated in the district in which the offense is alleged to have occurred. When a proceeding is commenced in a district other than that of the juvenile's residence, the court shall proceed to adjudication in that district. After adjudication, the following procedures shall be available to the court:

(1) The court may transfer the proceeding to the court in the district where the juvenile resides for disposition.

(2) Where the proceeding is not transferred under subdivision (1) of this section, the court shall immediately notify the chief district court judge in the district in which the juvenile resides. If the chief district court judge requests a transfer within five days after receipt of notification, the court shall transfer the proceeding.

(3) Where the proceeding is not transferred under subdivision (1) or (2) of this section, the court, upon motion of the juvenile, shall transfer the

proceeding to the court in the district where the juvenile resides for disposition. The court shall advise the juvenile of the juvenile's right to transfer under this section.

"§ 7B-1801. Pleading and process.

The pleading in a juvenile action is the petition. The process in a juvenile action is the summons.

"§ 7B-1802. Petition.

The petition shall contain the name, date of birth, and address of the juvenile and the name and last known address of the juvenile's parent, guardian, or custodian. The petition shall allege the facts that invoke jurisdiction over the juvenile. The petition shall not contain information on more than one juvenile.

A petition in which delinquency is alleged shall contain a plain and concise statement, without allegations of an evidentiary nature, asserting facts supporting every element of a criminal offense and the juvenile's commission thereof with sufficient precision clearly to apprise the juvenile of the conduct which is the subject of the allegation.

Sufficient copies of the petition shall be prepared so that copies will be available for the juvenile, for each parent if living separate and apart, for the guardian or custodian if any, for the court counselor, for the prosecutor, and for any person determined by the court to be a necessary party.

"§ 7B-1803. Receipt of complaints; filing of petition.

(a) All complaints concerning a juvenile alleged to be delinquent or undisciplined shall be referred to the intake counselor for screening and evaluation. Thereafter, if the intake counselor determines that a petition should be filed, the petition shall be drawn by the intake counselor or the clerk, signed by the complainant, and verified before an official authorized to administer oaths. If the circumstances indicate a need for immediate attachment of jurisdiction and if the intake counselor is out of the county or otherwise unavailable to receive a complaint and to draw a petition when it is needed, the clerk shall assist the complainant in communicating the complaint to the intake counselor by telephone and, with the approval of the intake counselor, shall draw a petition and file it when signed and verified. A copy of the complaint and petition shall be transmitted to the intake counselor. Procedures for receiving delinquency and undisciplined complaints and drawing petitions thereon, consistent with this Article and Article 17 of this Chapter, shall be established by administrative order of the chief judge in each judicial district.

(b) If review is requested pursuant to G.S. 7B-1704, the prosecutor shall review a complaint and any decision of the intake counselor not to authorize that the complaint be filed as a petition. If the prosecutor, after review, authorizes a complaint to be filed as a petition, the prosecutor shall prepare the complaint to be filed by the clerk as a petition, recording the day of filing.

"§ 7B-1804. Commencement of action.

(a) An action is commenced by the filing of a petition in the clerk's office when that office is open, or by a magistrate's acceptance of a petition for filing pursuant to subsection (b) of this section when the clerk's office is closed.

(b) When the office of the clerk is closed and an intake counselor requests a petition alleging a juvenile to be delinquent or undisciplined, a magistrate may draw and verify the petition and accept it for filing, which acceptance shall constitute filing. The magistrate's authority under this subsection is limited to emergency situations when a petition is required in order to obtain a secure or nonsecure custody order. Any petition accepted for filing under this subsection shall be delivered to the clerk's office for processing as soon as that office is open for business.

"§ 7B-1805. Issuance of summons.

(a) Immediately after a petition has been filed alleging that a juvenile is undisciplined or delinquent, the clerk shall issue a summons to the juvenile and to the parent, guardian, or custodian requiring them to appear for a hearing at the time and place stated in the summons. A copy of the petition shall be attached to each summons.

(b) A summons shall be on a printed form supplied by the Administrative Office of the Courts and shall include:

(1) Notice of the nature of the proceeding and the purpose of the hearing scheduled on the summons.

(2) Notice of any right to counsel and information about how to seek the appointment of counsel prior to a hearing.

(3) Notice that, if the court determines at the adjudicatory hearing that the allegations of the petition are true, the court will conduct a dispositional hearing and will have jurisdiction to enter orders affecting substantial rights of the juvenile and of the parent, guardian, or custodian, including orders that:

a. Affect the juvenile's custody;

b. Impose conditions on the juvenile;

c. Require that the juvenile receive medical, psychiatric, psychological, or other treatment and that the parent participate in the treatment;

d. Require the parent to undergo psychiatric, psychological, or other treatment or counseling;

e. Order the parent to pay for treatment that is ordered for the juvenile or the parent; and

f. Order the parent to pay support for the juvenile for any period the juvenile does not reside with the parent or to pay attorneys' fees or other fees or expenses as ordered by the court.

(4) Notice that the parent, guardian, or custodian shall be required to attend scheduled hearings and that failure without reasonable cause to attend may result in proceedings for contempt of court.

(5) Notice that the parent, guardian, or custodian shall be responsible for bringing the juvenile before the court at any hearing the juvenile is required to attend and that failure without reasonable cause to bring the juvenile before the court may result in proceedings for contempt of court.

(c) The summons shall advise the parent, guardian, or custodian that upon service, jurisdiction over the parent, guardian, or custodian is obtained and that failure of the parent, guardian, or custodian to appear or bring the juvenile before the court without reasonable cause or to comply with any order of the court pursuant to Article 27 of this Chapter may cause the court to issue a show cause order for contempt. The summons shall contain the following language in bold type:

`TO THE PARENT(S), GUARDIAN(S), OR CUSTODIAN(S): YOUR FAILURE TO APPEAR IN COURT FOR A SCHEDULED HEARING OR TO COMPLY WITH AN ORDER OF THE COURT MAY RESULT IN A FINDING OF CRIMINAL CONTEMPT. A PERSON HELD IN CRIMINAL CONTEMPT MAY BE SUBJECT TO IMPRISONMENT OF UP TO 30 DAYS, A FINE NOT TO EXCEED FIVE HUNDRED DOLLARS ($500.00) OR BOTH.'

(d) A summons shall be directed to the person summoned to appear and shall be delivered to any person authorized to serve process.

"§ 7B-1806. Service of summons.

The summons and petition shall be personally served upon the parent, the guardian, or custodian and the juvenile not less than five days prior to the date of the scheduled hearing. The time for service may be waived in the discretion of the court.

If the parent, guardian, or custodian entitled to receive a summons cannot be found by a diligent effort, the court may authorize service of the summons and petition by mail or by publication. The cost of the service by publication shall be advanced by the petitioner and may be charged as court costs as the court may direct.

The court may issue a show cause order for contempt against a parent, guardian, or custodian who is personally served and fails without reasonable cause to appear and to bring the juvenile before the court.

The provisions of G.S. 15A-301(a), (c), (d), and (e) relating to criminal process apply to juvenile process; provided the period of time for return of an unserved summons is 30 days.

"§ 7B-1807. Notice to parent and juvenile of scheduled hearings.

The clerk shall give to all parties, including both parents of the juvenile, the juvenile's guardian or custodian, and any other person who has assumed the status and obligation of a parent without being awarded legal custody of the juvenile by a court, five days' written notice of the date and time of all scheduled hearings unless the party is notified in open court or the court orders otherwise.

"§ 7B-1808. First appearance for felony cases.

(a) A juvenile who is alleged in the petition to have committed an offense that would be a felony if committed by an adult shall be summoned to appear before the court for a first appearance within 10 days of the filing of the petition. If the juvenile is in secure or nonsecure custody, the first appearance shall take place at the initial hearing required by G.S. 7B-1906. Unless the juvenile is in secure or nonsecure custody, the court may continue the first appearance to a time certain for good cause.

(b) At the first appearance, the court shall:

(1) Inform the juvenile of the allegations set forth in the petition;

(2) Determine whether the juvenile has retained counsel or has been assigned counsel and, if the juvenile is not represented by counsel, appoint counsel for the juvenile;

(3) If applicable, inform the juvenile of the date of the probable cause hearing, which shall be within 15 days of the first appearance; and

(4) Inform the parent, guardian, or custodian that the parent, guardian, or custodian is required to attend all hearings scheduled in the matter and may be held in contempt of court for failure to attend any scheduled hearing.

"ARTICLE 19.

"Temporary Custody; Secure and Nonsecure Custody; Custody Hearings.

"§ 7B-1900. Taking a juvenile into temporary custody.

Temporary custody means the taking of physical custody and providing personal care and supervision until a court order for secure or nonsecure custody can be obtained. A juvenile may be taken into temporary custody without a court order under the following circumstances:

(1) By a law enforcement officer if grounds exist for the arrest of an adult in identical circumstances under G.S. 15A-401(b).

(2) By a law enforcement officer or a court counselor if there are reasonable grounds to believe that the juvenile is an undisciplined juvenile.

(3) By a law enforcement officer, by a court counselor, by a member of the

Black Mountain Center, Alcohol Rehabilitation Center, and Juvenile Evaluation Center Joint Security Force established pursuant to G.S. 122C-421, or by personnel of the Office if there are reasonable grounds to believe the juvenile is an absconder from any residential facility operated by the Office or from an approved detention facility.

"§ 7B-1901. Duties of person taking juvenile into temporary custody.

(a) A person who takes a juvenile into custody without a court order under G.S. 7B-1900(1) or (2) shall proceed as follows:

(1) Notify the juvenile's parent, guardian, or custodian that the juvenile has been taken into temporary custody and advise the parent, guardian, or custodian of the right to be present with the juvenile until a determination is made as to the need for secure or nonsecure custody. Failure to notify the parent, guardian, or custodian that the juvenile is in custody shall not be grounds for release of the juvenile.

(2) Release the juvenile to the juvenile's parent, guardian, or custodian if the person having the juvenile in temporary custody decides that continued custody is unnecessary. In the case of a juvenile unlawfully absent from school, if continued custody is unnecessary, the person having temporary custody may deliver the juvenile to the juvenile's school or, if the local city or county government and the local school board adopt a policy, to a place in the local school administrative unit.

(3) If the juvenile is not released, request that a petition be drawn pursuant to G.S. 7B-1803 or G.S. 7B-1804. Once the petition has been drawn and verified, the person shall communicate with the intake counselor. If the intake counselor approves the filing of the petition, the intake counselor shall contact the judge or the person delegated authority pursuant to G.S. 7B-1902 if other than the intake counselor, for a determination of the need for continued custody.

(b) A juvenile taken into temporary custody under this Article shall not be held for more than 12 hours, or for more than 24 hours if any of the 12 hours falls on a Saturday, Sunday, or legal holiday, unless a petition or motion for review has been filed and an order for secure or nonsecure custody has been entered.

(c) A person who takes a juvenile into custody under G.S. 7B- 1900(3), after receiving an order for secure custody, shall transport the juvenile to the nearest approved facility providing secure custody. The person then shall contact the administrator of the facility from which the juvenile absconded, who shall be responsible for returning the juvenile to that facility.

"§ 7B-1902. Authority to issue custody orders; delegation.

In the case of any juvenile alleged to be within the jurisdiction of the court, when the court finds it necessary to place the juvenile in custody, the court may order that the juvenile be placed in secure or nonsecure custody pursuant to criteria set out in G.S. 7B-1903.

Any district court judge may issue secure and nonsecure custody orders pursuant to G.S. 7B-1903. The chief district court judge may delegate the court's authority to the chief court counselor or the chief court counselor's counseling staff by administrative order filed in the office of the clerk of superior court. The administrative order shall specify which persons may be contacted for approval of a secure or nonsecure custody order. The chief district court judge shall not delegate the court's authority to detain or house juveniles in holdover facilities pursuant to G.S. 7B-1905 or G.S. 7B-2512.

"§ 7B-1903. Criteria for secure or nonsecure custody.

(a) When a request is made for nonsecure custody, the court shall first consider release of the juvenile to the juvenile's parent, guardian, custodian, or other responsible adult. An order for nonsecure custody shall be made only when there is a reasonable factual basis to believe the matters alleged in the petition are true, and that:

(1) The juvenile is a runaway and consents to nonsecure custody; or

(2) The juvenile meets one or more of the criteria for secure custody, but the court finds it in the best interests of the juvenile that the juvenile be placed in a nonsecure placement.

(b) When a request is made for secure custody, the court may order secure custody only where the court finds there is a reasonable factual basis to believe that the juvenile committed the offense as alleged in the petition, and that one of the following circumstances exists:

(1) The juvenile is charged with a felony and has demonstrated that the juvenile is a danger to property or persons.

(2) The juvenile is charged with a misdemeanor at least one element of which is assault on a person and has demonstrated that the juvenile is a danger to persons.

(3) The juvenile has willfully failed to appear on a pending delinquency charge or on charges of violation of probation or post-release supervision, providing the juvenile was properly notified.

(4) A delinquency charge is pending against the juvenile, and there is reasonable cause to believe the juvenile will not appear in court.

(5) The juvenile is an absconder from (i) any residential facility operated by the Office or any detention facility in this State or (ii) any comparable facility in another state.

(6) There is reasonable cause to believe the juvenile should be detained for the juvenile's own protection because the juvenile has recently suffered or attempted self-inflicted physical injury. In such case, the juvenile must have been refused admission by one appropriate hospital, and the period of secure custody is limited to 24 hours to determine the need for inpatient hospitalization. If the juvenile is placed in secure custody, the juvenile shall receive continuous supervision and a physician shall be notified immediately.

(7) The juvenile is alleged to be undisciplined by virtue of the juvenile's being a runaway and is inappropriate for nonsecure custody placement or refuses nonsecure custody, and the court finds that the juvenile needs secure custody for up to 24 hours, excluding Saturdays, Sundays, and State holidays, or where circumstances require, for a period not to exceed 72 hours to evaluate the juvenile's need for medical or psychiatric treatment or to facilitate reunion with the juvenile's parents, guardian, or custodian.

(8) The juvenile is alleged to be undisciplined and has willfully failed to appear in court after proper notice; the juvenile shall be brought to court as soon as possible and in no event should be held more than 24 hours, excluding Saturdays, Sundays, and State holidays or where circumstances require for a period not to exceed 72 hours.

(c) When a juvenile has been adjudicated delinquent, the court may order secure custody pending the dispositional hearing or pending placement of the juvenile pursuant to G.S. 7B-2506.

(d) The court may order secure custody for a juvenile who is alleged to have violated

the conditions of the juvenile's probation or post-release supervision, but only if the juvenile is alleged to have committed acts that damage property or injure persons.

(e) If the criteria for secure custody as set out in subsection (b), (c), or (d) of this section are met, the court may enter an order directing an officer or other authorized person to assume custody of the juvenile and to take the juvenile to the place designated in the order.

"§ 7B-1904. Order for secure or nonsecure custody.

The custody order shall be in writing and shall direct a law enforcement officer or other authorized person to assume custody of the juvenile and to make due return on the order. The official executing the order shall give a copy of the order to the juvenile's parent, guardian, or custodian. If the order is for secure custody, copies of the petition and custody order shall accompany the juvenile to the detention facility or holdover facility of the jail. A message of the Division of Criminal Information, State Bureau of Investigation, stating that a juvenile petition and secure custody order relating to a specified juvenile are on file in a particular county shall be authority to detain the juvenile in secure custody until a copy of the juvenile petition and secure custody order can be forwarded to the juvenile detention facility. The copies of the juvenile petition and secure custody order shall be transmitted to the detention facility no later than 72 hours after the initial detention of the juvenile.

An officer receiving an order for custody which is complete and regular on its face may execute it in accordance with its terms and need not inquire into its regularity or continued validity, nor does the officer incur criminal or civil liability for its execution.

"§ 7B-1905. Place of secure or nonsecure custody.

(a) A juvenile meeting the criteria set out in G.S. 7B- 1903(a), may be placed in nonsecure custody with a department of social services or a person designated in the order for temporary residential placement in:

(1) A licensed foster home or a home otherwise authorized by law to provide such care;

(2) A facility operated by a department of social services; or

(3) Any other home or facility approved by the court and designated in the order.

In placing a juvenile in nonsecure custody, the court shall first consider whether a relative of the juvenile is willing and able to provide proper care and supervision of the juvenile. If the court finds that the relative is willing and able to provide proper care and supervision, the court shall order placement of the juvenile with the relative. Placement of a juvenile outside of this State shall be in accordance with the Interstate Compact on the Placement of Children set forth in Article 38 of this Chapter.

(b) Pursuant to G.S. 7B-1903(b), (c), or (d), a juvenile may be temporarily detained in an approved detention facility which shall be separate from any jail, lockup, prison, or other adult penal institution, except as provided in subsection (c) of this section. It shall be unlawful for a county or any unit of government to operate a juvenile detention facility unless the facility meets the standards and rules adopted by the Department of Health and Human Services.

(c) A juvenile who has allegedly committed an offense that would be a Class A, B1, B2, C, D, or E felony if committed by an adult may be detained in secure custody in a holdover facility up to 72 hours, if the court, based on information provided by the court counselor, determines that no acceptable alternative placement is available and the protection of the public requires the juvenile be housed in a holdover facility.

"§ 7B-1906. Secure or nonsecure custody hearings.

(a) No juvenile shall be held under a secure custody order for more than five calendar

days or under a nonsecure custody order for more than seven calendar days without a hearing on the merits or an initial hearing to determine the need for continued custody. A hearing conducted under this subsection may not be continued or waived. In every case in which an order has been entered by an official exercising authority delegated pursuant to G.S. 7B-1902, a hearing to determine the need for continued custody shall be conducted on the day of the next regularly scheduled session of district court in the city or county where the order was entered if the session precedes the expiration of the applicable time period set forth in this subsection. If the session does not precede the expiration of the time period, the hearing may be conducted at another regularly scheduled session of district court in the district where the order was entered.

(b) As long as the juvenile remains in secure or nonsecure custody, further hearings to determine the need for continued secure custody shall be held at intervals of no more than 10 calendar days. A subsequent hearing on continued nonsecure custody shall be held within seven business days, excluding Saturdays, Sundays, and legal holidays, of the initial hearing required in subsection (a) of this section and hearings thereafter shall be held at intervals of no more than 30 calendar days. In the case of a juvenile alleged to be delinquent, further hearings may be waived only with the consent of the juvenile, through counsel for the juvenile.

(c) The court shall determine whether a juvenile who is alleged to be delinquent has retained counsel or has been assigned counsel; and, if the juvenile is not represented by counsel, appoint counsel for the juvenile.

(d) At a hearing to determine the need for continued custody, the court shall receive testimony and shall allow the juvenile and the juvenile's parent, guardian, or custodian an opportunity to introduce evidence, to be heard in their own behalf, and to examine witnesses. The State shall bear the burden at every stage of the proceedings to provide clear and convincing evidence that restraints on the juvenile's liberty are necessary and that no less intrusive alternative will suffice. The court shall not be bound by the usual rules of evidence at the hearings.

(e) The court shall be bound by criteria set forth in G.S. 7B- 1903 in determining whether continued custody is warranted.

(f) The court may impose appropriate restrictions on the liberty of a juvenile who is released from secure custody, including:

(1) Release on the written promise of the juvenile's parent, guardian, or custodian to produce the juvenile in court for subsequent proceedings;

(2) Release into the care of a responsible person or organization;

(3) Release conditioned on restrictions on activities, associations, residence, or travel if reasonably related to securing the juvenile's presence in court; or

(4) Any other conditions reasonably related to securing the juvenile's presence in court.

(g) If the court determines that the juvenile meets the criteria in G.S. 7B-1903 and should continue in custody, the court shall issue an order to that effect. The order shall be in writing with appropriate findings of fact. The findings of fact shall include the evidence relied upon in reaching the decision and the purposes which continued custody is to achieve.

(h) The hearing to determine the need to continue custody may be conducted by audio and video transmission which allows the court and the juvenile to see and hear each other. If the juvenile has counsel, the juvenile may communicate fully and confidentially with the juvenile's attorney during the proceeding. Prior to the use of audio and video transmission, the procedures and type of equipment for audio and video transmission shall

be submitted to the Administrative Office of the Courts by the chief district court judge and approved by the Administrative Office of the Courts.

"§ 7B-1907. Telephonic communication authorized.

All communications, notices, orders, authorizations, and requests authorized or required by G.S. 7B-1901, 7B-1903, and 7B- 1904 may be made by telephone when other means of communication are impractical. All written orders pursuant to telephonic communication shall bear the name and the title of the person communicating by telephone, the signature and the title of the official entering the order, and the hour and the date of the authorization.

"ARTICLE 20.

"Basic Rights.

"§ 7B-2000. Juvenile's right to counsel; presumption of indigence.

(a) A juvenile alleged to be within the jurisdiction of the court has the right to be represented by counsel in all proceedings. The court shall appoint counsel for the juvenile, unless counsel is retained for the juvenile, in any proceeding in which the juvenile is alleged to be (i) delinquent or (ii) in contempt of court when alleged or adjudicated to be undisciplined.

(b) All juveniles shall be conclusively presumed to be indigent, and it shall not be necessary for the court to receive from any juvenile an affidavit of indigency.

"§ 7B-2001. Appointment of guardian.

In any case when no parent, guardian, or custodian appears in a hearing with the juvenile or when the court finds it would be in the best interests of the juvenile, the court may appoint a guardian of the person for the juvenile. The guardian shall operate under the supervision of the court with or without bond and shall file only such reports as the court shall require. Unless the court orders otherwise, the guardian:

(1) Shall have the care, custody, and control of the juvenile or may arrange a suitable placement for the juvenile.

(2) May represent the juvenile in legal actions before any court.

(3) May consent to certain actions on the part of the juvenile in place of the parent or custodian, including (i) marriage, (ii) enlisting in the armed forces, and (iii) enrollment in school.

(4) May consent to any necessary remedial, psychological, medical, or surgical treatment for the juvenile.

The authority of the guardian shall continue until the guardianship is terminated by court order, until the juvenile is emancipated pursuant to Subchapter IV of this Chapter, or until the juvenile reaches the age of majority.

"§ 7B-2002. Payment of court-appointed attorney.

An attorney appointed pursuant to G.S. 7B-2000 or pursuant to any other provision of this Subchapter shall be paid a reasonable fee fixed by the court in the same manner as fees for attorneys appointed in cases of indigency through the Administrative Office of the Courts. The court may require payment of the attorneys' fees from a person other than the juvenile as provided in G.S. 7A-450.1, 7A-450.2, and 7A-450.3. A person who does not comply with the court's order of payment may be found in civil contempt as provided in G.S. 5A-21.

"ARTICLE 21.

"Law Enforcement Procedures in Delinquency Proceedings.

"§ 7B-2100. Role of the law enforcement officer.

A law enforcement officer who takes a juvenile into temporary custody should select the most appropriate course of action to the situation, the needs of the juvenile, and the protection of the public safety. The officer may:

(1) Release the juvenile, with or without first counseling the juvenile;
(2) Release the juvenile to the juvenile's parent, guardian, or custodian;
(3) Refer the juvenile to community resources;
(4) Seek a petition; or
(5) Seek a petition and request a custody order.

"§ 7B-2101. Interrogation procedures.

(a) Any juvenile in custody must be advised prior to questioning:
(1) That the juvenile has a right to remain silent;
(2) That any statement the juvenile does make can be and may be used against the juvenile;
(3) That the juvenile has a right to have a parent, guardian, or custodian present during questioning; and
(4) That the juvenile has a right to consult with an attorney and that one will be appointed for the juvenile if the juvenile is not represented and wants representation.

(b) When the juvenile is less than 14 years of age, no in-custody admission or confession resulting from interrogation may be admitted into evidence unless the confession or admission was made in the presence of the juvenile's parent, guardian, custodian, or attorney. If an attorney is not present, the parent, guardian, or custodian as well as the juvenile must be advised of the juvenile's rights as set out in subsection (a) of this section; however, a parent, guardian, or custodian may not waive any right on behalf of the juvenile.

(c) If the juvenile indicates in any manner and at any stage of questioning pursuant to this section that the juvenile does not wish to be questioned further, the officer shall cease questioning.

(d) Before admitting into evidence any statement resulting from custodial interrogation, the court shall find that the juvenile knowingly, willingly, and understandingly waived the juvenile's rights.

"§ 7B-2102. Fingerprinting and photographing juveniles.

(a) A law enforcement officer or agency shall fingerprint and photograph a juvenile who was 10 years of age or older at the time the juvenile allegedly committed a nondivertible offense as set forth in G.S. 7B-1701, when a complaint has been prepared for filing as a petition and the juvenile is in physical custody of law enforcement or the Office.

(b) If a law enforcement officer or agency does not take the fingerprints or a photograph of the juvenile pursuant to subsection (a) of this section or the fingerprints or photograph have been destroyed pursuant to subsection (e) of this section, a law enforcement officer or agency shall fingerprint and photograph a juvenile who has been adjudicated delinquent if the juvenile was 10 years of age or older at the time the juvenile committed an offense that would be a felony if committed by an adult.

(c) A law enforcement officer or agency who fingerprints or photographs a juvenile pursuant to this section shall do so in a proper format for transfer to the State Bureau of Investigation and the Federal Bureau of Investigation. After the juvenile, who was 10 years of age or older at the time of the offense, is adjudicated delinquent of an offense that would be a felony if committed by an adult, fingerprints obtained pursuant to this section shall be transferred to the State Bureau of Investigation and placed in the Automated Fingerprint Identification System (AFIS) to be used for all investigative and comparison purposes. Photographs obtained pursuant to this section shall be placed in a format approved by the State Bureau of Investigation and may be used for all investigative or comparison purposes.

(d) Fingerprints and photographs taken pursuant to this section are not public records under Chapter 132 of the General Statutes, shall not be included in the clerk's record pursuant to G.S. 7B-3000, shall be withheld from public inspection or examination, and shall not be eligible for expunction pursuant to G.S. 7B-3200. Fingerprints and photographs taken pursuant to this section shall be maintained separately from any juvenile record, other than the electronic file maintained by the State Bureau of Investigation.

(e) If a juvenile is fingerprinted and photographed pursuant to subsection (a) of this section, the custodian of records shall destroy all fingerprints and photographs at the earlier of the following:

(1) The intake counselor or prosecutor does not file a petition against the juvenile within one year of fingerprinting and photographing the juvenile pursuant to subsection (a) of this section;

(2) The court does not find probable cause pursuant to G.S. 7B-2202; or

(3) The juvenile is not adjudicated delinquent of any offense that would be a felony or a misdemeanor if committed by an adult.

The chief court counselor shall notify the local custodian of records, and the local custodian of records shall notify any other record-holding agencies, when a decision is made not to file a petition, the court does not find probable cause, or the court does not adjudicate the juvenile delinquent.

"§ 7B-2103. Authority to issue nontestimonial identification order where juvenile alleged to be delinquent.

Except as provided in G.S. 7B-2102, nontestimonial identification procedures shall not be conducted on any juvenile without a court order issued pursuant to this Article unless the juvenile has been charged as an adult or transferred to superior court for trial as an adult in which case procedures applicable to adults, as set out in Articles 14 and 23 of Chapter 15A of the General Statutes, shall apply. A nontestimonial identification order authorized by this Article may be issued by any judge of the district court or of the superior court upon request of a prosecutor. As used in this Article, `nontestimonial identification' means identification by fingerprints, palm prints, footprints, measurements, blood specimens, urine specimens, saliva samples, hair samples, or other reasonable physical examination, handwriting exemplars, voice samples, photographs, and lineups or similar identification procedures requiring the presence of a juvenile.

"§ 7B-2104. Time of application for nontestimonial identification order.

A request for a nontestimonial identification order may be made prior to taking a juvenile into custody or after custody and prior to the adjudicatory hearing.

"§ 7B-2105. Grounds for nontestimonial identification order.

(a) Except as provided in subsection (b) of this section, a nontestimonial identification order may issue only on affidavit or affidavits sworn to before the court and establishing the following grounds for the order:

(1) That there is probable cause to believe that an offense has been committed that would be a felony if committed by an adult;

(2) That there are reasonable grounds to suspect that the juvenile named or described in the affidavit committed the offense; and

(3) That the results of specific nontestimonial identification procedures will be of material aid in determining whether the juvenile named in the affidavit committed the offense.

(b) A nontestimonial identification order to obtain a blood specimen from a juvenile may issue only on affidavit or affidavits sworn to before the court and establishing the following grounds for the order:

(1) That there is probable cause to believe that an offense has been committed that would be a felony if committed by an adult;

(2) That there is probable cause to believe that the juvenile named or described in the affidavit committed the offense; and

(3) That there is probable cause to believe that obtaining a blood specimen from the juvenile will be of material aid in determining whether the juvenile named in the affidavit committed the offense.

"§ 7B-2106. Issuance of order.

Upon a showing that the grounds specified in G.S. 7B-2105 exist, the judge may issue an order following the same procedure as in the case of adults under G.S. 15A-274, 15A-275, 15A-276, 15A-277, 15A-278, 15A-279, 15A-280, and 15A-282.

"§ 7B-2107. Nontestimonial identification order at request of juvenile.

A juvenile in custody for or charged with an offense which if committed by an adult would be a felony offense may request that nontestimonial identification procedures be conducted. If it appears that the results of specific nontestimonial identification procedures will be of material aid to the juvenile's defense, the judge to whom the request was directed must order the State to conduct the identification procedures.

"§ 7B-2108. Destruction of records resulting from nontestimonial identification procedures.

The results of any nontestimonial identification procedures shall be retained or disposed of as follows:

(1) If a petition is not filed against a juvenile who has been the subject of nontestimonial identification procedures, all records of the evidence shall be destroyed.

(2) If the juvenile is not adjudicated delinquent or convicted in superior court following transfer, all records resulting from a nontestimonial order shall be destroyed. Further, in the case of a juvenile who is under 13 years of age and who is adjudicated delinquent for an offense that would be less than a felony if committed by an adult, all records shall be destroyed.

(3) If a juvenile 13 years of age or older is adjudicated delinquent for an offense that would be a felony if committed by an adult, all records resulting from a nontestimonial order may be retained in the court file. Special precautions shall be taken to ensure that these records will be maintained in a manner and under sufficient safeguards to limit their use to inspection by law enforcement officers for comparison purposes in the investigation of a crime.

(4) If the juvenile is transferred to and convicted in superior court, all records resulting from nontestimonial identification procedures shall be processed as in the case of an adult.

(5) Any evidence seized pursuant to a nontestimonial order shall be retained by law enforcement officers until further order is entered by the court.

(6) Destruction of nontestimonial identification records pursuant to this section shall be performed by the law enforcement agency having possession of the records. Following destruction, the law enforcement agency shall make written certification to the court of the destruction.

"§ 7B-2109. Penalty for willful violation.

Any person who willfully violates provisions of this Article which prohibit conducting nontestimonial identification procedures without an order issued by the court shall be guilty of a Class 1 misdemeanor.

"ARTICLE 22.

"Probable Cause Hearing and Transfer Hearing.

"§ 7B-2200. Transfer of jurisdiction of juvenile to superior court.

After notice, hearing, and a finding of probable cause the court may, upon motion of the prosecutor or the juvenile's attorney or upon its own motion, transfer jurisdiction over a juvenile to superior court if the juvenile was 13 years of age or older at the time the juvenile allegedly committed an offense that would be a felony if committed by an adult. If the alleged felony constitutes a Class A felony and the court finds probable cause, the court shall transfer the case to the superior court for trial as in the case of adults.

"§ 7B-2201. Fingerprinting juvenile transferred to superior court.

When jurisdiction over a juvenile is transferred to the superior court, the juvenile shall be fingerprinted and the juvenile's fingerprints shall be sent to the State Bureau of Investigation.

"§ 7B-2202. Probable cause hearing.

(a) The court shall conduct a hearing to determine probable cause in all felony cases in which a juvenile was 13 years of age or older when the offense was allegedly committed. The hearing shall be conducted within 15 days of the date of the juvenile's first appearance. The court may continue the hearing for good cause.

(b) At the probable cause hearing:

(1) A prosecutor shall represent the State;

(2) The juvenile shall be represented by counsel;

(3) The juvenile may testify, call, and examine witnesses, and present evidence; and

(4) Each witness shall testify under oath or affirmation and be subject to cross-examination.

(c) The State shall by nonhearsay evidence, or by evidence that satisfies an exception to the hearsay rule, show that there is probable cause to believe that the offense charged has been committed and that there is probable cause to believe that the juvenile committed it, except:

(1) A report or copy of a report made by a physicist, chemist, firearms identification expert, fingerprint technician, or an expert or technician in some other scientific, professional, or medical field, concerning the results of an examination, comparison, or test performed in connection with the case in issue, when stated in a report by that person, is admissible in evidence;

(2) If there is no serious contest, reliable hearsay is admissible to prove value, ownership of property, possession of property in a person other than the juvenile, lack of consent of the owner, possessor, or custodian of property to the breaking or entering of premises, chain of custody, and authenticity of signatures.

(d) Counsel for the juvenile may waive in writing the right to the hearing and stipulate to a finding of probable cause.

(e) If probable cause is found and transfer to superior court is not required by G.S. 7B-2200, upon motion of the prosecutor or the juvenile's attorney or upon its own motion, the court shall either proceed to a transfer hearing or set a date for that hearing. If the juvenile has not received notice of the intention to seek transfer at least five days prior to the probable cause hearing, the court, at the request of the juvenile, shall continue the transfer hearing.

(f) If the court does not find probable cause for a felony offense, the court shall:

(1) Dismiss the proceeding, or

(2) If the court finds probable cause to believe that the juvenile committed a lesser included offense that would constitute a misdemeanor if committed by an adult, either proceed to an adjudicatory hearing or set a date for that hearing.

"§ 7B-2203. Transfer hearing.

(a) At the transfer hearing, the prosecutor and the juvenile may be heard and may offer evidence, and the juvenile's attorney may examine any court or probation records, or other records the court may consider in determining whether to transfer the case.

(b) In the transfer hearing, the court shall determine whether the protection of the public and the needs of the juvenile will be served by transfer of the case to superior court and shall consider the following factors:

(1) The age of the juvenile;
(2) The maturity of the juvenile;
(3) The intellectual functioning of the juvenile;
(4) The prior record of the juvenile;
(5) Prior attempts to rehabilitate the juvenile;
(6) Facilities or programs available to the court prior to the expiration of the court's jurisdiction under this Subchapter and the likelihood that the juvenile would benefit from treatment or rehabilitative efforts;
(7) Whether the alleged offense was committed in an aggressive, violent, premeditated, or willful manner; and
(8) The seriousness of the offense and whether the protection of the public requires that the juvenile be prosecuted as an adult.

(c) Any order of transfer shall specify the reasons for transfer. When the case is transferred to superior court, the superior court has jurisdiction over that felony, any offense based on the same act or transaction or on a series of acts or transactions connected together or constituting parts of a single scheme or plan of that felony, and any greater or lesser included offense of that felony.

(d) If the court does not transfer the case to superior court, the court shall either proceed to an adjudicatory hearing or set a date for that hearing.

"§ 7B-2204. Right to pretrial release; detention.

Once the order of transfer has been entered, the juvenile has the right to pretrial release as provided in G.S. 15A-533 and G.S 15A-534. The release order shall specify the person or persons to whom the juvenile may be released. Pending release, the court shall order that the juvenile be detained in a detention facility while awaiting trial. The court may order the juvenile to be held in a holdover facility at any time the presence of the juvenile is required in court for pretrial hearings or trial, if the court finds that it would be inconvenient to return the juvenile to the detention facility.

Should the juvenile be found guilty, or enter a plea of guilty or no contest to a criminal offense in superior court and receive an active sentence, then immediate transfer to the Department of Correction shall be ordered. Until such time as the juvenile is transferred to the Department of Correction, the juvenile may be detained in a holdover facility. The juvenile may not be detained in a detention facility pending transfer to the Department of Correction.

The juvenile may be kept by the Department of Correction as a safekeeper until the juvenile is placed in an appropriate correctional program.

"ARTICLE 23.

"Discovery.

"§ 7B-2300. Disclosure of evidence by petitioner.

(a) Statement of the Juvenile. -- Upon motion of a juvenile alleged to be delinquent,

the court shall order the petitioner:

(1) To permit the juvenile to inspect and copy any relevant written or recorded statements within the possession, custody, or control of the petitioner made by the juvenile or any other party charged in the same action; and

(2) To divulge, in written or recorded form, the substance of any oral statement made by the juvenile or any other party charged in the same action.

(b) Names of Witnesses. -- Upon motion of the juvenile, the court shall order the petitioner to furnish the names of persons to be called as witnesses. A copy of the record of witnesses under the age of 16 shall be provided by the petitioner to the juvenile upon the juvenile's motion if accessible to the petitioner.

(c) Documents and Tangible Objects. -- Upon motion of the juvenile, the court shall order the petitioner to permit the juvenile to inspect and copy books, papers, documents, photographs, motion pictures, mechanical or electronic recordings, tangible objects, or portions thereof:

(1) Which are within the possession, custody, or control of the petitioner, the prosecutor, or any law enforcement officer conducting an investigation of the matter alleged; and

(2) Which are material to the preparation of the defense, are intended for use by the petitioner as evidence, or were obtained from or belong to the juvenile.

(d) Reports of Examinations and Tests. -- Upon motion of a juvenile, the court shall order the petitioner to permit the juvenile to inspect and copy results of physical or mental examinations or of tests, measurements, or experiments made in connection with the case, within the possession, custody, or control of the petitioner. In addition upon motion of a juvenile, the court shall order the petitioner to permit the juvenile to inspect, examine, and test, subject to appropriate safeguards, any physical evidence or a sample of it or tests or experiments made in connection with the evidence in the case if it is available to the petitioner, the prosecutor, or any law enforcement officer conducting an investigation of the matter alleged, and if the petitioner intends to offer the evidence at trial.

(e) Except as provided in subsections (a) through (d) of this section, this Article does not require the production of reports, memoranda, or other internal documents made by the petitioner, law enforcement officers, or other persons acting on behalf of the petitioner in connection with the investigation or prosecution of the case or of statements made by witnesses or the petitioner to anyone acting on behalf of the petitioner.

(f) Nothing in this section prohibits a petitioner from making voluntary disclosures in the interest of justice.

"§ 7B-2301. Disclosure of evidence by juvenile.

(a) Names of Witnesses. -- Upon motion of the petitioner, the court shall order the juvenile to furnish to the petitioner the names of persons to be called as witnesses.

(b) Documents and Tangible Objects. -- If the court grants any relief sought by the juvenile under G.S. 7B-2300, upon motion of the petitioner, the court shall order the juvenile to permit the petitioner to inspect and copy books, papers, documents, photographs, motion pictures, mechanical or electronic recordings, tangible objects, or portions thereof which are within the possession, custody, or control of the juvenile and which the juvenile intends to introduce in evidence.

(c) Reports of Examinations and Tests. -- If the court grants any relief sought by the juvenile under G.S. 7B-2300, upon motion of the petitioner, the court shall order the juvenile to permit the petitioner to inspect and copy results of physical or mental

examinations or of tests, measurements, or experiments made in connection with the case within the possession and control of the juvenile which the juvenile intends to introduce in evidence or which were prepared by a witness whom the juvenile intends to call if the results relate to the witness's testimony. In addition, upon motion of a petitioner, the court shall order the juvenile to permit the petitioner to inspect, examine, and test, subject to appropriate safeguards, any physical evidence or a sample of it if the juvenile intends to offer the evidence or tests or experiments made in connection with the evidence in the case.

"§ 7B-2302. Regulation of discovery; protective orders.

(a) Upon written motion of a party and a finding of good cause, the court may at any time order that discovery or inspection be denied, restricted, or deferred.

(b) The court may permit a party seeking relief under subsection (a) of this section to submit supporting affidavits or statements to the court for in camera inspection. If thereafter the court enters an order granting relief under subsection (a) of this section, the material submitted in camera must be available to the Court of Appeals in the event of an appeal.

"§ 7B-2303. Continuing duty to disclose.

If a party, subject to compliance with an order issued pursuant to this Article, discovers additional evidence prior to or during the hearing or decides to use additional evidence, and if the evidence is or may be subject to discovery or inspection under this Article, the party shall promptly notify the other party of the existence of the additional evidence or of the name of each additional witness.

"ARTICLE 24.

"Hearing Procedures.

"§ 7B-2400. Amendment of petition.

The court may permit a petition to be amended when the amendment does not change the nature of the offense alleged. If a motion to amend is allowed, the juvenile shall be given a reasonable opportunity to prepare a defense to the amended allegations.

"§ 7B-2401. Determination of incapacity to proceed; evidence; temporary commitment; temporary orders.

The provisions of G.S. 15A-1001, 15A-1002, and 15A-1003 apply to all cases in which a juvenile is alleged to be delinquent. No juvenile committed under this section may be placed in a situation where the juvenile will come in contact with adults committed for any purpose.

"§ 7B-2402. Open hearings.

All hearings authorized or required pursuant to this Subchapter shall be open to the public unless the court closes the hearing or part of the hearing for good cause, upon motion of a party or its own motion. If the court closes the hearing or part of the hearing to the public, the court may allow any victim, member of a victim's family, law enforcement officer, witness or any other person directly involved in the hearing to be present at the hearing.

In determining good cause to close a hearing or part of a hearing, the court shall consider the circumstances of the case, including, but not limited to, the following factors:

(1) The nature of the allegations against the juvenile;

(2) The age and maturity of the juvenile;

(3) The benefit to the juvenile of confidentiality;

(4) The benefit to the public of an open hearing; and

(5) The extent to which the confidentiality of the juvenile's file will be compromised by an open hearing.

No hearing or part of a hearing shall be closed by the court if the juvenile requests that it

remain open.

"§ 7B-2403. Adjudicatory hearing.

The adjudicatory hearing shall be held within a reasonable time in the district at the time and place the chief district court judge designates.

"§ 7B-2404. Participation of the prosecutor.

A prosecutor shall represent the State in contested delinquency hearings including first appearance, detention, probable cause, transfer, adjudicatory, dispositional, probation revocation, post-release supervision, and extended jurisdiction hearings.

"§ 7B-2405. Conduct of the adjudicatory hearing.

The adjudicatory hearing shall be a judicial process designed to determine whether the juvenile is undisciplined or delinquent. In the adjudicatory hearing, the court shall protect the following rights of the juvenile and the juvenile's parent, guardian, or custodian to assure due process of law:

(1) The right to written notice of the facts alleged in the petition;

(2) The right to counsel;

(3) The right to confront and cross-examine witnesses;

(4) The privilege against self-incrimination;

(5) The right of discovery; and

(6) All rights afforded adult offenders except the right to bail, the right of self-representation, and the right of trial by jury.

"§ 7B-2406. Continuances.

The court for good cause may continue the hearing for as long as is reasonably required to receive additional evidence, reports, or assessments that the court has requested, or other information needed in the best interests of the juvenile and to allow for a reasonable time for the parties to conduct expeditious discovery. Otherwise, continuances shall be granted only in extraordinary circumstances when necessary for the proper administration of justice or in the best interests of the juvenile.

"§ 7B-2407. When admissions by juvenile may be accepted.

(a) The court may accept an admission from a juvenile only after first addressing the juvenile personally and:

(1) Informing the juvenile that the juvenile has a right to remain silent and that any statement the juvenile makes may be used against the juvenile;

(2) Determining that the juvenile understands the nature of the charge;

(3) Informing the juvenile that the juvenile has a right to deny the allegations;

(4) Informing the juvenile that by the juvenile's admissions the juvenile waives the juvenile's right to be confronted by the witnesses against the juvenile;

(5) Determining that the juvenile is satisfied with the juvenile's representation; and

(6) Informing the juvenile of the most restrictive disposition on the charge.

(b) By inquiring of the prosecutor, the juvenile's attorney, and the juvenile personally, the court shall determine whether there were any prior discussions involving admissions, whether the parties have entered into any arrangement with respect to the admissions and the terms thereof, and whether any improper pressure was exerted. The court may accept an admission from a juvenile only after determining that the admission is a product of informed choice.

(c) The court may accept an admission only after determining that there is a factual basis for the admission. This determination may be based upon any of the following information: a statement of the facts by the prosecutor; a written statement of the juvenile;

sworn testimony which may include reliable hearsay; or a statement of facts by the juvenile's attorney.

"§ 7B-2408. Rules of evidence.

If the juvenile denies the allegations of the petition, the court shall proceed in accordance with the rules of evidence applicable to criminal cases. In addition, no statement made by a juvenile to the intake counselor during the preliminary inquiry and evaluation process shall be admissible prior to the dispositional hearing.

"§ 7B-2409. Quantum of proof in adjudicatory hearing.

The allegations of a petition alleging the juvenile is delinquent shall be proved beyond a reasonable doubt. The allegations in a petition alleging undisciplined behavior shall be proved by clear and convincing evidence.

"§ 7B-2410. Record of proceedings.

All adjudicatory and dispositional hearings and hearings on probable cause and transfer to superior court shall be recorded by stenographic notes or by electronic or mechanical means. Records shall be reduced to a written transcript only when timely notice of appeal has been given. The court may order that other hearings be recorded.

"§ 7B-2411. Adjudication.

If the court finds that the allegations in the petition have been proved as provided in G.S. 7B-2409, the court shall so state. If the court finds that the allegations have not been proved, the court shall dismiss the petition with prejudice and the juvenile shall be released from secure or nonsecure custody if the juvenile is in custody.

"§ 7B-2412. Legal effect of adjudication of delinquency.

An adjudication that a juvenile is delinquent or commitment of a juvenile to the Office for placement in a training school shall neither be considered conviction of any criminal offense nor cause the juvenile to forfeit any citizenship rights.

"§ 7B-2413. Predisposition investigation and report.

The court shall proceed to the dispositional hearing upon receipt of the predisposition report. A risk and needs assessment, containing information regarding the juvenile's social, medical, psychiatric, psychological, and educational history, as well as any factors indicating the probability of the juvenile committing further delinquent acts, shall be conducted for the juvenile and shall be attached to the predisposition report. In cases where no predisposition report is available and the court makes a written finding that a report is not needed, the court may proceed with the dispositional hearing. No predisposition report shall be submitted to or considered by the court prior to the completion of the adjudicatory hearing. The court shall permit the juvenile to inspect any predisposition report, including any attached risk and needs assessment, to be considered by the court in making the disposition unless the court determines that disclosure would seriously harm the juvenile's treatment or rehabilitation or would violate a promise of confidentiality. Opportunity to offer evidence in rebuttal shall be afforded the juvenile and the juvenile's parent, guardian, or custodian at the dispositional hearing. The court may order counsel not to disclose parts of the report to the juvenile or the juvenile's parent, guardian, or custodian if the court finds that disclosure would seriously harm the treatment or rehabilitation of the juvenile or would violate a promise of confidentiality given to a source of information.

"§ 7B-2414. When jeopardy attaches.

Jeopardy attaches in an adjudicatory hearing when the court begins to hear evidence.

"ARTICLE 25.

"Dispositions.

"§ 7B-2500. Purpose.

The purpose of dispositions in juvenile actions is to design an appropriate plan to

meet the needs of the juvenile and to achieve the objectives of the State in exercising jurisdiction, including the protection of the public. The court should develop a disposition in each case that:

(1) Promotes public safety;

(2) Emphasizes accountability and responsibility of both the parent, guardian, or custodian and the juvenile for the juvenile's conduct; and

(3) Provides the appropriate consequences, treatment, training, and rehabilitation to assist the juvenile toward becoming a nonoffending, responsible, and productive member of the community.

"§ 7B-2501. Dispositional hearing.

(a) The dispositional hearing may be informal, and the court may consider written reports or other evidence concerning the needs of the juvenile.

(b) The juvenile and the juvenile's parent, guardian, or custodian shall have an opportunity to present evidence, and they may advise the court concerning the disposition they believe to be in the best interests of the juvenile.

(c) In choosing among statutorily permissible dispositions, the court shall select the most appropriate disposition both in terms of kind and duration for the delinquent juvenile. Within the guidelines set forth in G.S. 7B-2508, the court shall select a disposition that is designed to protect the public and to meet the needs and best interests of the juvenile, based upon:

(1) The seriousness of the offense;

(2) The need to hold the juvenile accountable;

(3) The importance of protecting the public safety;

(4) The degree of culpability indicated by the circumstances of the particular case; and

(5) The rehabilitative and treatment needs of the juvenile indicated by a risk and needs assessment.

(d) The court may dismiss the case, or continue the case for no more than six months in order to allow the family an opportunity to meet the needs of the juvenile through more adequate home supervision, through placement in a private or specialized school or agency, through placement with a relative, or through some other plan approved by the court.

"§ 7B-2502. Evaluation and treatment of undisciplined and delinquent juveniles.

(a) In any case, the court may order that the juvenile be examined by a physician, psychiatrist, psychologist, or other qualified expert as may be needed for the court to determine the needs of the juvenile. In the case of a juvenile adjudicated delinquent for committing an offense that involves the possession, use, sale, or delivery of alcohol or a controlled substance, the court shall require the juvenile to be tested for the use of controlled substances or alcohol within 30 days of the adjudication. In the case of any juvenile adjudicated delinquent, the court may, if it deems it necessary, require the juvenile to be tested for the use of controlled substances or alcohol. The results of these initial tests conducted pursuant to this subsection shall be used for evaluation and treatment purposes only.

(b) Upon completion of the examination, the court shall conduct a hearing to determine whether the juvenile is in need of medical, surgical, psychiatric, psychological, or other evaluation or treatment and who should pay the cost of the evaluation or treatment. The county manager, or any other person who is designated by the chair of the board of county commissioners, of the county of the juvenile's residence shall be notified of the hearing, and allowed to be heard. If the court finds the juvenile to be in need of medical, surgical, psychiatric, psychological, or other evaluation or treatment, the court

shall permit the parent, guardian, custodian, or other responsible persons to arrange for evaluation or treatment. If the parent, guardian, or custodian declines or is unable to make necessary arrangements, the court may order the needed evaluation or treatment, surgery, or care, and the court may order the parent to pay the cost of the care pursuant to Article 27 of this Chapter. If the court finds the parent is unable to pay the cost of evaluation or treatment, the court shall order the county to arrange for evaluation or treatment of the juvenile and to pay for the cost of the evaluation or treatment. The county department of social services shall recommend the facility that will provide the juvenile with evaluation or treatment.

(c) If the court believes, or if there is evidence presented to the effect that the juvenile is mentally ill or is developmentally disabled, the court shall refer the juvenile to the area mental health, developmental disabilities, and substance abuse services director for appropriate action. A juvenile shall not be committed directly to a State hospital or mental retardation center; and orders purporting to commit a juvenile directly to a State hospital or mental retardation center except for an examination to determine capacity to proceed shall be void and of no effect. The area mental health, developmental disabilities, and substance abuse director shall be responsible for arranging an interdisciplinary evaluation of the juvenile and mobilizing resources to meet the juvenile's needs. If institutionalization is determined to be the best service for the juvenile, admission shall be with the voluntary consent of the parent, guardian, or custodian. If the parent, guardian, or custodian refuses to consent to a mental hospital or retardation center admission after such institutionalization is recommended by the area mental health, developmental disabilities, and substance abuse director, the signature and consent of the court may be substituted for that purpose. In all cases in which a regional mental hospital refuses admission to a juvenile referred for admission by the court and an area mental health, developmental disabilities, and substance abuse director or discharges a juvenile previously admitted on court referral prior to completion of the juvenile's treatment, the hospital shall submit to the court a written report setting out the reasons for denial of admission or discharge and setting out the juvenile's diagnosis, indications of mental illness, indications of need for treatment, and a statement as to the location of any facility known to have a treatment program for the juvenile in question.

"§ 7B-2503. Dispositional alternatives for undisciplined juveniles.

The following alternatives for disposition shall be available to the court exercising jurisdiction over a juvenile who has been adjudicated undisciplined. The court may combine any of the applicable alternatives when the court finds it to be in the best interests of the juvenile:

(1) In the case of any juvenile who needs more adequate care or supervision or who needs placement, the judge may:

a. Require that the juvenile be supervised in the juvenile's own home by a department of social services in the juvenile's county of residence, a court counselor, or other personnel as may be available to the court, subject to conditions applicable to the parent, guardian, or custodian or the juvenile as the judge may specify; or

b. Place the juvenile in the custody of a parent, guardian, custodian, relative, private agency offering placement services, or some other suitable person; or

c. Place the juvenile in the custody of a department of social services in the county of the juvenile's residence, or in the case of a juvenile who has legal residence outside the State, in the physical custody of a department of social services in the county where the juvenile is

found so that agency may return the juvenile to the responsible authorities in the juvenile's home state. The director may, unless otherwise ordered by the judge, arrange for, provide, or consent to, needed routine or emergency medical or surgical care or treatment. In the case where the parent is unknown, unavailable, or unable to act on behalf of the juvenile or juveniles, the director may, unless otherwise ordered by the judge, arrange for, provide or consent to any psychiatric, psychological, educational, or other remedial evaluations or treatment for the juvenile placed by a judge or the judge's designee in the custody or physical custody of a county department of social services under the authority of this or any other Chapter of the General Statutes. Prior to exercising this authority, the director shall make reasonable efforts to obtain consent from a parent, guardian, or custodian of the affected juvenile. If the director cannot obtain consent, the director shall promptly notify the parent, guardian, or custodian that care or treatment has been provided and shall give the parent, guardian, or custodian frequent status reports on the circumstances of the juvenile. Upon request of a parent, guardian, or custodian of the affected juvenile, the results or records of the aforementioned evaluations, findings, or treatment shall be made available to the parent, guardian, or custodian by the director unless prohibited by G.S. 122C-53(d).

(2) Place the juvenile under the protective supervision of a court counselor for a period of up to three months, with an extension of an additional three months in the discretion of the court.

(3) Excuse the juvenile from compliance with the compulsory school attendance law when the court finds that suitable alternative plans can be arranged by the family through other community resources for one of the following:

a. An education related to the needs or abilities of the juvenile including vocational education or special education;

b. A suitable plan of supervision or placement; or

c. Some other plan that the court finds to be in the best interests of the juvenile.

"§ 7B-2504. Conditions of protective supervision for undisciplined juveniles.

The court may place a juvenile on protective supervision pursuant to G.S. 7B-2503 so that the court counselor may (i) assist the juvenile in securing social, medical, and educational services and (ii) visit and work with the family as a unit to ensure the juvenile is provided proper supervision and care. The court may impose any combination of the following conditions of protective supervision that are related to the needs of the juvenile, including:

(1) That the juvenile shall remain on good behavior and not violate any laws;

(2) That the juvenile attend school regularly;

(3) That the juvenile maintain passing grades in up to four courses during each grading period and meet with the court counselor and a representative of the school to make a plan for how to maintain those passing grades;

(4) That the juvenile not associate with specified persons or be in specified

places;

(5) That the juvenile abide by a prescribed curfew;

(6) That the juvenile report to a court counselor as often as required by a court counselor;

(7) That the juvenile be employed regularly if not attending school; and

(8) That the juvenile satisfy any other conditions determined appropriate by the court.

"§ 7B-2505. Contempt of court for undisciplined juveniles.

Upon motion of the court counselor or on the court's own motion, the court may issue an order directing a juvenile who has been adjudicated undisciplined to appear and show cause why the juvenile should not be held in contempt for willfully failing to comply with an order of the court. The first time the juvenile is held in contempt, the court may order the juvenile confined in an approved detention facility for a period not to exceed 24 hours. The second time the juvenile is held in contempt, the court may order the juvenile confined in an approved detention facility for a period not to exceed three days. The third time and all subsequent times the juvenile is held in contempt, the court may order the juvenile confined in an approved detention facility for a period not to exceed five days. The timing of any confinement under this section shall be determined by the court in its discretion. In no event shall a juvenile held in contempt pursuant to this section be confined for more than 14 days in one 12-month period.

"§ 7B-2506. Dispositional alternatives for delinquent juveniles.

The court exercising jurisdiction over a juvenile who has been adjudicated delinquent may use the following alternatives in accordance with the dispositional structure set forth in G.S. 7B- 2508:

(1) In the case of any juvenile who needs more adequate care or supervision or who needs placement, the judge may:

a. Require that a juvenile be supervised in the juvenile's own home by the department of social services in the juvenile's county, a court counselor, or other personnel as may be available to the court, subject to conditions applicable to the parent, guardian, or custodian or the juvenile as the judge may specify; or

b. Place the juvenile in the custody of a parent, guardian, custodian, relative, private agency offering placement services, or some other suitable person; or

c. Place the juvenile in the custody of the department of social services in the county of his residence, or in the case of a juvenile who has legal residence outside the State, in the physical custody of a department of social services in the county where the juvenile is found so that agency may return the juvenile to the responsible authorities in the juvenile's home state. The director may, unless otherwise ordered by the judge, arrange for, provide, or consent to, needed routine or emergency medical or surgical care or treatment. In the case where the parent is unknown, unavailable, or unable to act on behalf of the juvenile or juveniles, the director may, unless otherwise ordered by the judge, arrange for, provide, or consent to any psychiatric, psychological, educational, or other remedial evaluations or treatment for the juvenile placed by a judge or his designee in the custody or physical custody of a county department of social services under the authority of this or any other Chapter of the General Statutes. Prior to exercising this authority, the director

shall make reasonable efforts to obtain consent from a parent, guardian, or custodian of the affected juvenile. If the director cannot obtain consent, the director shall promptly notify the parent, guardian, or custodian that care or treatment has been provided and shall give the parent, guardian, or custodian frequent status reports on the circumstances of the juvenile. Upon request of a parent, guardian, or custodian of the affected juvenile, the results or records of the aforementioned evaluations, findings, or treatment shall be made available to the parent, guardian, or custodian by the director unless prohibited by G.S. 122C-53(d).

(2) Excuse the juvenile from compliance with the compulsory school attendance law when the court finds that suitable alternative plans can be arranged by the family through other community resources for one of the following:

a. An education related to the needs or abilities of the juvenile including vocational education or special education;

b. A suitable plan of supervision or placement; or

c. Some other plan that the court finds to be in the best interests of the juvenile.

(3) Order the juvenile to cooperate with a community- based program, an intensive substance abuse treatment program, or a residential or nonresidential treatment program. Participation in the programs shall not exceed 12 months.

(4) Require restitution, full or partial, up to five hundred dollars ($500.00), payable within a 12- month period to any person who has suffered loss or damage as a result of the offense committed by the juvenile. The court may determine the amount, terms, and conditions of the restitution. If the juvenile participated with another person or persons, all participants should be jointly and severally responsible for the payment of restitution; however, the court shall not require the juvenile to make restitution if the juvenile satisfies the court that the juvenile does not have, and could not reasonably acquire, the means to make restitution.

(5) Impose a fine related to the seriousness of the juvenile's offense. If the juvenile has the ability to pay the fine, it shall not exceed the maximum fine for the offense if committed by an adult.

(6) Order the juvenile to perform up to 100 hours supervised community service consistent with the juvenile's age, skill, and ability, specifying the nature of the work and the number of hours required. The work shall be related to the seriousness of the juvenile's offense and in no event may the obligation to work exceed 12 months.

(7) Order the juvenile to participate in the victim- offender reconciliation program.

(8) Place the juvenile on probation under the supervision of a court counselor, as specified in G.S. 7B-2509.

(9) Order that the juvenile shall not be licensed to operate a motor vehicle in the State of North Carolina for as long as the court retains jurisdiction over the juvenile or for any shorter period of time. The clerk of court shall notify the Division of Motor Vehicles of that order.

(10) Impose a curfew upon the juvenile.

(11) Order that the juvenile not associate with specified persons or be in

specified places.

(12) Impose confinement on an intermittent basis in an approved detention facility. Confinement shall be limited to not more than five 24-hour periods, the timing of which is determined by the court in its discretion.

(13) Order the juvenile to cooperate with placement in a wilderness program.

(14) Order the juvenile to cooperate with placement in a residential treatment facility, an intensive nonresidential treatment program, an intensive substance abuse program, or in a group home other than a multipurpose group home operated by a State agency.

(15) Place the juvenile on intensive probation under the supervision of a court counselor.

(16) Order the juvenile to cooperate with a supervised day program requiring the juvenile to be present at a specified place for all or part of every day or of certain days. The court also may require the juvenile to comply with any other reasonable conditions specified in the dispositional order that are designed to facilitate supervision.

(17) Order the juvenile to participate in a regimented training program.

(18) Order the juvenile to submit to house arrest.

(19) Suspend imposition of a more severe, statutorily permissible disposition with the provision that the juvenile meet certain conditions agreed to by the juvenile and specified in the dispositional order. The conditions shall not exceed the allowable dispositions for the level under which disposition is being imposed.

(20) Order that the juvenile be confined in an approved juvenile detention facility for a term of up to 14 24-hour periods, which confinement shall not be imposed consecutively with intermittent confinement pursuant to subdivision (12) of this section at the same dispositional hearing. The timing of this confinement shall be determined by the court in its discretion.

(21) Order the residential placement of a juvenile in a multipurpose group home operated by a State agency.

(22) Require restitution of more than five hundred dollars ($500.00), full or partial, payable within a 12-month period to any person who has suffered loss or damage as a result of an offense committed by the juvenile. The court may determine the amount, terms, and conditions of restitution. If the juvenile participated with another person or persons, all participants should be jointly and severally responsible for the payment of the restitution; however, the court shall not require the juvenile to make restitution if the juvenile satisfies the court that the juvenile does not have, and could not reasonably acquire, the means to make restitution.

(23) Order the juvenile to perform supervised community service of not less than 100 hours and not more than 200 hours, consistent with the juvenile's age, skill, and ability, specifying the nature of work and the number of hours required. The work shall be related to the seriousness of the juvenile's offense.

(24) Commit the juvenile to the Office for placement in a training school in accordance with G.S. 7B-2512 for a period of not less than six months.

"§ 7B-2507. Delinquency history levels.

(a) Generally. -- The delinquency history level for a delinquent juvenile is determined

by calculating the sum of the points assigned to each of the juvenile's prior adjudications and to the juvenile's probation status, if any, that the court finds to have been proved in accordance with this section.

(b) Points. -- Points are assigned as follows:

(1) For each prior adjudication of a Class A through E felony offense, 4 points.

(2) For each prior adjudication of a Class F through I felony offense or Class A1 misdemeanor offense, 2 points.

(3) For each prior adjudication of a Class 1, 2, or 3 misdemeanor offense, 1 point.

(4) If the juvenile was on probation at the time of offense, 2 points.

(c) Delinquency History Levels. -- The delinquency history levels are:

(1) Low -- No more than 1 point.

(2) Medium -- At least 2, but not more than 3 points.

(3) High -- At least 4 points.

In determining the delinquency history level, the classification of a prior offense is the classification assigned to that offense at the time the juvenile committed the offense for which disposition is being ordered.

(d) Multiple Prior Adjudications Obtained in One Court Session. -- For purposes of determining the delinquency history level, if a juvenile is adjudicated delinquent for more than one offense in a single session of district court, only the adjudication for the offense with the highest point total is used.

(e) Classification of Prior Adjudications From Other Jurisdictions. -- Except as otherwise provided in this subsection, an adjudication occurring in a jurisdiction other than North Carolina is classified as a Class I felony if the jurisdiction in which the offense occurred classifies the offense as a felony, or is classified as a Class 3 misdemeanor if the jurisdiction in which the offense occurred classifies the offense as a misdemeanor. If the juvenile proves by the preponderance of the evidence that an offense classified as a felony in the other jurisdiction is substantially similar to an offense that is a misdemeanor in North Carolina, the conviction is treated as that class of misdemeanor for assigning delinquency history level points. If the State proves by the preponderance of the evidence that an offense classified as either a misdemeanor or a felony in the other jurisdiction is substantially similar to an offense in North Carolina that is classified as a Class I felony or higher, the conviction is treated as that class of felony for assigning delinquency history level points. If the State proves by the preponderance of the evidence that an offense classified as a misdemeanor in the other jurisdiction is substantially similar to an offense classified as a Class A1 misdemeanor in North Carolina, the adjudication is treated as a Class A1 misdemeanor for assigning delinquency history level points.

(f) Proof of Prior Adjudications. -- A prior adjudication shall be proved by any of the following methods:

(1) Stipulation of the parties.

(2) An original or copy of the court record of the prior adjudication.

(3) A copy of records maintained by the Division of Criminal Information or by the Office.

(4) Any other method found by the court to be reliable.

The State bears the burden of proving, by a preponderance of the evidence, that a prior adjudication exists and that the juvenile before the court is the same person as the juvenile named in the prior adjudication. The original or a copy of the court records or a copy of the records maintained by the Division of Criminal Information or of the Office, bearing the same name as that by which the juvenile is charged, is prima facie evidence

that the juvenile named is the same person as the juvenile before the court, and that the facts set out in the record are true. For purposes of this subsection, `a copy' includes a paper writing containing a reproduction of a record maintained electronically on a computer or other data processing equipment, and a document produced by a facsimile machine. The prosecutor shall make all feasible efforts to obtain and present to the court the juvenile's full record. Evidence presented by either party at trial may be utilized to prove prior adjudications. If asked by the juvenile, the prosecutor shall furnish the juvenile's prior adjudications to the juvenile within a reasonable time sufficient to allow the juvenile to determine if the record available to the prosecutor is accurate.

"§ 7B-2508. Dispositional limits for each class of offense and delinquency history level.

(a) Offense Classification. -- The offense classifications are as follows:

(1) Violent -- Adjudication of a Class A through E felony offense;

(2) Serious -- Adjudication of a Class F through I felony offense or a Class A1 misdemeanor;

(3) Minor -- Adjudication of a Class 1, 2, or 3 misdemeanor.

(b) Delinquency History Levels. -- A delinquency history level shall be determined for each delinquent juvenile as provided in G.S. 7B-2507.

(c) Level 1 -- Community Disposition. -- A court exercising jurisdiction over a juvenile who has been adjudicated delinquent and for whom the dispositional chart in subsection (f) of this section prescribes a Level 1 disposition may provide for evaluation and treatment under G.S. 7B-2502 and for any of the dispositional alternatives contained in subdivisions (1) through (13) of G.S. 7B-2506. In determining which dispositional alternative is appropriate, the court shall consider the needs of the juvenile as indicated by the risk and needs assessment contained in the predisposition report, the appropriate community resources available to meet those needs, and the protection of the public.

(d) Level 2 -- Intermediate Disposition. -- A court exercising jurisdiction over a juvenile who has been adjudicated delinquent and for whom the dispositional chart in subsection (f) of this section prescribes a Level 2 disposition may provide for evaluation and treatment under G.S. 7B-2502 and for any of the dispositional alternatives contained in subdivisions (1) through (23) of G.S. 7B-2506, but shall provide for at least one of the intermediate dispositions authorized in subdivisions (13) through (23) of G.S. 7B-2506. However, notwithstanding any other provision of this section, a court may impose a Level 3 disposition if the juvenile has previously received a Level 3 disposition in a prior juvenile action. In determining which dispositional alternative is appropriate, the court shall consider the needs of the juvenile as indicated by the risk and needs assessment contained in the predisposition report, the appropriate community resources available to meet those needs, and the protection of the public.

(e) Level 3 -- Commitment. -- A court exercising jurisdiction over a juvenile who has been adjudicated delinquent and for whom the dispositional chart in subsection (f) of this section prescribes a Level 3 disposition shall commit the juvenile to the Office for placement in a training school in accordance with G.S. 7B-2506(24). However, a court may impose a Level 2 disposition rather than a Level 3 disposition if the court submits written findings on the record that substantiate extraordinary needs on the part of the offending juvenile.

(f) Dispositions for Each Class of Offense and Delinquency History Level; Disposition Chart Described. -- The authorized disposition for each class of offense and delinquency history level is as specified in the chart below. Delinquency history levels are indicated horizontally on the top of the chart. Classes of offense are indicated vertically on the left side of the chart. Each cell on the chart indicates which of the

dispositional levels described in subsections (c) through (e) of this section are prescribed for that combination of offense classification and delinquency history level:

OFFENSE	DELINQUENCY HISTORY		
	LOW	MEDIUM	HIGH
VIOLENT	Level 2 or 3	Level 3	Level 3
SERIOUS	Level 1 or 2	Level 2	Level 2 or 3
MINOR	Level 1	Level 1 or 2	Level 2.

(g) Notwithstanding subsection (f) of this section, a juvenile who has been adjudicated for a minor offense may be committed to a Level 3 disposition if the juvenile has been adjudicated of four or more prior offenses. For purposes of determining the number of prior offenses under this subsection, each successive offense is one that was committed after adjudication of the preceding offense.

(h) If a juvenile is adjudicated of more than one offense during a session of juvenile court, the court shall consolidate the offenses for disposition and impose a single disposition for the consolidated offenses. The disposition shall be specified for the class of offense and delinquency history level of the most serious offense.

"§ 7B-2509. Conditions of probation; violation of probation.

(a) In any case where a juvenile is placed on probation pursuant to G.S. 7B-2506(8), the court counselor shall have the authority to visit the juvenile where the juvenile resides. The court may impose conditions of probation that are related to the needs of the juvenile and that are reasonably necessary to ensure that the juvenile will lead a law-abiding life, including:

(1) That the juvenile shall remain on good behavior.

(2) That the juvenile shall not violate any laws.

(3) That the juvenile shall not violate any reasonable and lawful rules of a parent, guardian, or custodian.

(4) That the juvenile attend school regularly.

(5) That the juvenile maintain passing grades in up to four courses during each grading period and meet with the court counselor and a representative of the school to make a plan for how to maintain those passing grades.

(6) That the juvenile not associate with specified persons or be in specified places.

(7) That the juvenile:

a. Refrain from use or possession of any controlled substance included in any schedule of Article 5 of Chapter 90 of the General Statutes, the Controlled Substances Act;

b. Refrain from use or possession of any alcoholic beverage regulated under Chapter 18B of the General Statutes; and

c. Submit to random drug testing.

(8) That the juvenile abide by a prescribed curfew.

(9) That the juvenile submit to a warrantless search at reasonable times.

(10) That the juvenile possess no firearm, explosive device, or other deadly weapon.

(11) That the juvenile report to a court counselor as often as required by the court counselor.

(12) That the juvenile make specified financial restitution or pay a fine in accordance with G.S. 7B-2506(4), (5), and (22).

(13) That the juvenile be employed regularly if not attending school.

(14) That the juvenile satisfy any other conditions determined appropriate by the court.

(b) In addition to the regular conditions of probation specified in subsection (a) of this section, the court may, at a dispositional hearing or any subsequent hearing, order the juvenile to comply, if directed to comply by the chief court counselor, with one or more of the following conditions:

(1) Perform up to 20 hours of community service;

(2) Submit to substance abuse monitoring and treatment;

(3) Participate in a life skills or an educational skills program administered by the Office;

(4) Cooperate with electronic monitoring; and

(5) Cooperate with intensive supervision.

However, the court shall not give the chief court counselor discretion to impose the conditions of either subsection (4) or (5) of this section unless the juvenile is subject to Level 2 dispositions pursuant to G.S. 7B-2508 or subsection (d) of this section.

(c) An order of probation shall remain in force for a period not to exceed one year from the date entered. Prior to expiration of an order of probation, the court may extend it for an additional period of one year after a hearing, if the court finds that the extension is necessary to protect the community or to safeguard the welfare of the juvenile.

(d) On motion of the court counselor or the juvenile, or on the court's own motion, the court may review the progress of any juvenile on probation at any time during the period of probation or at the end of probation. The conditions or duration of probation may be modified only as provided in this Subchapter and only after notice and a hearing.

(e) If the court, after notice and a hearing, finds by the greater weight of the evidence that the juvenile has violated the conditions of probation set by the court, the court may continue the original conditions of probation, modify the conditions of probation, or, except as provided in subsection (f) of this section, order a new disposition at the next higher level on the disposition chart in G.S. 7B-2508. In the court's discretion, part of the new disposition may include an order of confinement in a secure juvenile detention facility for up to twice the term authorized by G.S. 7B-2508.

(f) A court shall not order a Level 3 disposition for violation of the conditions of probation by a juvenile adjudicated delinquent for an offense classified as minor under G.S. 7B-2508.

"§ 7B-2510. Termination of probation.

At the end of or at any time during probation, the court may terminate probation by written order upon finding that there is no further need for supervision. The finding and order terminating probation may be entered in chambers in the absence of the juvenile and may be based on a report from the court counselor or, at the election of the court, the order may be entered with the juvenile present after notice and a hearing.

"§ 7B-2511. Dispositional order.

The dispositional order shall be in writing and shall contain appropriate findings of fact and conclusions of law. The court shall state with particularity, both orally and in the written order of disposition, the precise terms of the disposition including the kind, duration, and the person who is responsible for carrying out the disposition and the person or agency in whom custody is vested.

"§ 7B-2512. Commitment of delinquent juvenile to Office.

(a) Pursuant to G.S. 7B-2506 and G.S. 7B-2508, the court may commit a delinquent juvenile who is at least 10 years of age to the Office for placement in a training school. Commitment shall be for an indefinite term of at least six months. In no event shall the term exceed:

(1) The twenty-first birthday of the juvenile if the juvenile has been committed to the Office for an offense that would be first-degree murder pursuant to G.S. 14-17, first-degree rape pursuant to G.S. 14-27.2, or first-degree sexual offense pursuant to G.S. 14-27.4 if committed by an adult;

(2) The nineteenth birthday of the juvenile if the juvenile has been committed to the Office for an offense that would be a Class B1, B2, C, D, or E felony if committed by an adult, other than an offense set forth in subdivision (1) of this subsection; or

(3) The eighteenth birthday of the juvenile if the juvenile has been committed to the Office for an offense other than an offense that would be a Class A, B1, B2, C, D, or E felony if committed by an adult.

No juvenile shall be committed to a training school beyond the minimum six-month commitment for a period of time in excess of the maximum term of imprisonment for which an adult in prior record level VI for felonies or in prior conviction level III for misdemeanors could be sentenced for the same offense, except when the Office pursuant to G.S. 7B-2514 determines that the juvenile's commitment needs to be continued for an additional period of time to continue care or treatment under the plan of care or treatment developed under subsection (f) of this section. At the time of commitment to a training school, the court shall determine the maximum period of time the juvenile may remain committed before a determination must be made by the Office pursuant to G.S. 7B-2514 and shall notify the juvenile of that determination.

(b) The court may commit a juvenile to a definite term of not less than six months and not more than two years if the court finds that the juvenile is 14 years of age or older, has been previously adjudicated delinquent for two or more felony offenses, and has been previously committed to a training school.

(c) The chief court counselor shall have the responsibility for transporting the juvenile to the training school designated by the Office. The juvenile shall be accompanied to the training school by a person of the same sex.

(d) The chief court counselor shall ensure that the records requested by the Office accompany the juvenile upon transportation for admittance to a training school or, if not obtainable at the time of admission, are sent to the training school within 15 days of the admission. If records requested by the Office for admission do not exist, to the best knowledge of the chief court counselor, the chief court counselor shall so stipulate in writing to the training school. If such records do exist, but the chief court counselor is unable to obtain copies of them, a district court may order that the records from public agencies be made available to the training school. Records that are confidential by law shall remain confidential and the Office shall be bound by the specific laws governing the confidentiality of these records. All records shall be used in a manner consistent with the best interests of the juvenile.

(e) A commitment order accompanied by information requested by the Office shall be forwarded to the Office. The Office shall place the juvenile in the training school that would best provide for the juvenile's needs and shall notify the committing court. The Office may assign a juvenile committed for delinquency to any institution or other program of the Office or licensed by the Office, which program is appropriate to the needs

of the juvenile.

(f) When the court commits a juvenile to the Office for placement in a training school, the Office shall prepare a plan for care or treatment within 30 days after assuming custody of the juvenile.

(g) Commitment of a juvenile to the Office for placement in a training school does not terminate the court's continuing jurisdiction over the juvenile and the juvenile's parent, guardian, or custodian. Commitment of a juvenile to the Office for placement in a training school transfers only physical custody of the juvenile. Legal custody remains with the parent, guardian, custodian, agency, or institution in whom it was vested.

(h) Pending placement of a juvenile with the Office, the court may house a juvenile who has been adjudicated guilty of a delinquent act that would be a Class A, B1, B2, C, D, or E felony if committed by an adult in a holdover facility up to 72 hours if the court, based on the information provided by the court counselor, determines that no acceptable alternative placement is available and the protection of the public requires that the juvenile be housed in a holdover facility.

(i) A juvenile who is committed to the Office for placement in a training school shall be tested for the use of controlled substances or alcohol. The results of this initial test shall be incorporated into the plan of care as provided in subsection (f) of this section and used for evaluation and treatment purposes only.

(j) When a juvenile is committed to the Office for placement in a training school for an offense that would have been a Class A or B1 felony if committed by an adult, the chief court counselor shall notify the victim and members of the victim's immediate family that the victim, or the victim's immediate family members may request in writing to be notified in advance of the juvenile's scheduled release date in accordance with G.S. 7B-2513(d).

"§ 7B-2513. Post-release supervision planning; release.

(a) The Office shall be responsible for evaluation of the progress of each juvenile at least once every six months as long as the juvenile remains in the care of the Office. Any determination that the juvenile should remain in the care of the Office for an additional period of time shall be based on the Office's determination that the juvenile requires additional treatment or rehabilitation pursuant to G.S. 7B-2514. If the Office determines that a juvenile is ready for release, the Office shall initiate a post-release supervision planning process. The post-release supervision planning process shall be defined by rules and regulations of the Office, but shall include the following:

(1) Written notification shall be given to the court that ordered commitment.

(2) A post-release supervision planning conference shall be held involving as many as possible of the following: the juvenile, the juvenile's parent, guardian, or custodian, court counselors who have supervised the juvenile on probation or will supervise the juvenile on post-release supervision, and staff of the facility that found the juvenile ready for release. The planning conference shall include personal contact and evaluation rather than telephonic notification.

(3) The planning conference participants shall consider, based on the individual needs of the juvenile and pursuant to rules adopted by the Office, placement of the juvenile in any program under the auspices of the Office, including the juvenile court services programs that, in the judgment of the Office, would be appropriate transitional placement, pending release under G.S. 7B-2512.

(b) The Office shall develop the plan in writing and base the terms on the needs of the juvenile and the protection of the public. Every plan shall require the juvenile to

complete at least 90 days, but not more than one year, of post-release supervision.

(c) The Office shall release a juvenile under a plan of post- release supervision at least 90 days prior to:

(1) Completion of the juvenile's definite term of commitment; or

(2) The juvenile's twenty-first birthday if the juvenile has been committed to the Office for an offense that would be first-degree murder pursuant to G.S. 14-17, first-degree rape pursuant to G.S. 14-27.2, or first-degree sexual offense pursuant to G.S. 14-27.4 if committed by an adult.

(3) The juvenile's nineteenth birthday if the juvenile has been committed to the Office for an offense that would be a Class B1, B2, C, D, or E felony if committed by an adult, other than an offense set forth in G.S. 7B-1602(a).

(4) The juvenile's eighteenth birthday if the juvenile has been committed to the Office for an offense other than an offense that would be a Class A, B1, B2, C, D, or E felony if committed by an adult.

(d) Notwithstanding Articles 30 and 31 of Subchapter III of this Chapter, at least 45 days before releasing to post-release supervision a juvenile who was committed for a Class A or B1 felony, the Office shall notify, by first-class mail at the last known address:

(1) The juvenile;

(2) The juvenile's parent, guardian, or custodian;

(3) The district attorney of the district where the juvenile was adjudicated;

(4) The head of the enforcement agency that took the juvenile into custody; and

(5) The victim and any of the victim's immediate family members who have requested in writing to be notified.

The notification shall include only the juvenile's name, offense, date of commitment, and date proposed for release. A copy of the notice shall be sent to the appropriate clerk of superior court for placement in the juvenile's court file.

(e) The Office may release a juvenile under an indefinite commitment to post-release supervision only after the juvenile has been committed to the Office for placement in a training school for a period of at least six months.

(f) A juvenile committed to the Office for placement in a training school for a definite term shall receive credit toward that term for the time the juvenile spends on post-release supervision.

(g) A juvenile on post-release supervision shall be supervised by a court counselor. Post-release supervision shall be terminated by order of the court.

"§ 7B-2514. Notification of extended commitment; plan of treatment.

(a) If the Office does not intend to release the juvenile prior to the juvenile's eighteenth birthday, or if the Office determines that the juvenile's commitment should be continued beyond the maximum commitment period as set forth in G.S. 7B- 2512(a), the Office shall notify the juvenile and the juvenile's parent, guardian, or custodian in writing at least 30 days in advance of the juvenile's eighteenth birthday or the end of the maximum commitment period, of the additional specific commitment period proposed by the Office, the basis for extending the commitment period, and the plan for future care or treatment.

(b) The Office shall modify the plan of care or treatment developed pursuant to G.S. 7B-2512(f) to specify (i) the specific goals and outcomes that require additional time for care or treatment of the juvenile; (ii) the specific course of treatment or care that will be implemented to achieve the established goals and outcomes; and (iii) the efforts that will be taken to assist the juvenile's family in creating an environment that will increase the likelihood that the efforts to treat and rehabilitate the juvenile will be successful upon

release. If appropriate, the Office may place the juvenile in a setting other than a training school.

(c) The juvenile and the juvenile's parent, guardian, or custodian may request a review by the court of the Office's decision to extend the juvenile's commitment beyond the juvenile's eighteenth birthday or maximum commitment period, in which case the court shall conduct a review hearing. The court may modify the Office's decision and the juvenile's maximum commitment period. If the juvenile or the juvenile's parent, guardian, or custodian does not request a review of the Office's decision, the Office's decision shall become the juvenile's new maximum commitment period.

"§ 7B-2515. Revocation of post-release supervision.

On motion of the court counselor providing post-release supervision or motion of the juvenile, or on the court's own motion, and after notice, the court may hold a hearing to review the progress of any juvenile on post-release supervision at any time during the period of post-release supervision. With respect to any hearing involving allegations that the juvenile has violated the terms of post-release supervision, the juvenile:

(1) Shall have reasonable notice in writing of the nature and content of the allegations in the motion, including notice that the purpose of the hearing is to determine whether the juvenile has violated the terms of post-release supervision to the extent that post-release supervision should be revoked;

(2) Shall be represented by an attorney at the hearing;

(3) Shall have the right to confront and cross-examine witnesses; and

(4) May admit, deny, or explain the violation alleged and may present proof, including affidavits or other evidence, in support of the juvenile's contentions. A record of the proceeding shall be made and preserved in the juvenile's record.

If the court determines by the greater weight of the evidence that the juvenile has violated the terms of post-release supervision, the court may revoke the post-release supervision or make any other disposition authorized by this Subchapter.

If the court revokes post-release supervision, the juvenile shall be returned to the Office for placement in a training school for an indefinite term of at least 90 days, provided, however, that no juvenile shall remain committed to the Office for placement in a training school past:

(1) The juvenile's twenty-first birthday if the juvenile has been committed to the Office for an offense that would be first-degree murder pursuant to G.S. 14-17, first-degree rape pursuant to G.S. 14-27.2, or first-degree sexual offense pursuant to G.S. 14-27.4 if committed by an adult.

(2) The juvenile's nineteenth birthday if the juvenile has been committed to the Office for an offense that would be a Class B1, B2, C, D, or E felony if committed by an adult, other than an offense set forth in G.S. 7B-1602(a).

(3) The juvenile's eighteenth birthday if the juvenile has been committed to the Office for an offense other than an offense that would be a Class A, B1, B2, C, D, or E felony if committed by an adult.

"§ 7B-2516. Transfer authority of Governor.

The Governor may order transfer of any person less than 18 years of age from any jail or penal facility of the State to one of the residential facilities operated by the Office in appropriate circumstances, provided the Governor shall consult with the Office concerning the feasibility of the transfer in terms of available space, staff, and suitability of program.

When an inmate, committed to the Department of Correction, is transferred by the Governor to a residential program operated by the Office, the Office may release the juvenile based on the needs of the juvenile and the best interests of the State. Transfer shall not divest the probation or parole officer of the officer's responsibility to supervise the inmate on release.

"ARTICLE 26.

"Modification and Enforcement of Dispositional Orders; Appeals.

"§ 7B-2600. Authority to modify or vacate.

(a) Upon motion in the cause or petition, and after notice, the court may conduct a review hearing to determine whether the order of the court is in the best interests of the juvenile, and the court may modify or vacate the order in light of changes in circumstances or the needs of the juvenile.

(b) In a case of delinquency, the court may reduce the nature or the duration of the disposition on the basis that it was imposed in an illegal manner or is unduly severe with reference to the seriousness of the offense, the culpability of the juvenile, or the dispositions given to juveniles convicted of similar offenses.

(c) In any case where the court finds the juvenile to be delinquent or undisciplined, the jurisdiction of the court to modify any order or disposition made in the case shall continue (i) during the minority of the juvenile, (ii) until the juvenile reaches the age of 19 years if the juvenile has been adjudicated delinquent and committed to the Office for an offense that would be a Class B1, B2, C, D, or E felony if committed by an adult, other than an offense set forth in G.S. 7B-1602(a), (iii) until the juvenile reaches the age of 21 years if the juvenile has been adjudicated delinquent and committed for an offense that would be first-degree murder pursuant to G.S. 14-17, first-degree rape pursuant to G.S. 14-27.2, or first-degree sexual offense pursuant to G.S. 14-27.4 if committed by an adult, or (iv) until terminated by order of the court.

"§ 7B-2601. Request for modification for lack of suitable services.

If the Office finds that any juvenile committed to the Office's care is not suitable for its program, the Office may make a motion in the cause so that the court may make an alternative disposition that is consistent with G.S. 7B-2508.

"§ 7B-2602. Right to appeal.

Upon motion of a proper party as defined in G.S. 7B-2604, review of any final order of the court in a juvenile matter under this Article shall be before the Court of Appeals. Notice of appeal shall be given in open court at the time of the hearing or in writing within 10 days after entry of the order. However, if no disposition is made within 60 days after entry of the order, written notice of appeal may be given within 70 days after such entry. A final order shall include:

(1) Any order finding absence of jurisdiction;

(2) Any order which in effect determines the action and prevents a judgment from which appeal might be taken;

(3) Any order of disposition after an adjudication that a juvenile is delinquent or undisciplined; or

(4) Any order modifying custodial rights.

"§ 7B-2603. Right to appeal transfer decision.

(a) Notwithstanding G.S. 7B-2602, any order transferring jurisdiction of the district court in a juvenile matter to the superior court may be appealed to the superior court for a hearing on the record. Notice of the appeal must be given in open court or in writing within 10 days after the transfer hearing in the district court. A juvenile who fails to appeal the transfer order to the superior court waives the right to raise the issue of transfer before the Court of Appeals until final disposition of the matter in superior court. The

clerk of superior court shall provide the district attorney with a copy of any written notice of appeal filed by the attorney for the juvenile. Upon expiration of the 10 day period in which an appeal may be entered, if an appeal has been entered and not withdrawn, the clerk shall transfer the case to the superior court docket. The superior court shall, within a reasonable time, review the record of the transfer hearing for abuse of discretion by the juvenile court in the issue of transfer. The superior court shall not review the findings as to probable cause for the underlying offense.

(b) Once an order of transfer has been entered by the district court, the juvenile has the right to be considered for pretrial release as provided in G.S. 15A-533 and G.S. 15A-534. The release order shall specify the person or persons to whom the juvenile may be released. Pending release, the court shall order that the juvenile be detained in a detention facility while awaiting trial. The court may order the juvenile to be held in a holdover facility as defined by G.S. 7B-1501 at any time the presence of the juvenile is required in court for pretrial hearings or trial, if the court finds that it would be inconvenient to return the juvenile to the detention facility.

(c) If an appeal of the transfer order is taken, the superior court shall enter an order either (i) remanding the case to the juvenile court for adjudication or (ii) upholding the transfer order. If the superior court remands the case to juvenile court for adjudication and the juvenile has been granted pretrial release provided in G.S 15A-533 and G.S. 15A-534, the obligor shall be released from the juvenile's bond upon the district court's review of whether the juvenile shall be placed in secure or nonsecure custody as provided in G.S. 7B-1903.

(d) The superior court order shall be an interlocutory order, and the issue of transfer may be appealed to the Court of Appeals only after the juvenile has been convicted in superior court.

"§ 7B-2604. Proper parties for appeal.

An appeal may be taken by the juvenile, the juvenile's parent, guardian, or custodian, or the State. The State's appeal is limited to the following orders in delinquency or undisciplined cases:

(1) An order finding a State statute to be unconstitutional; and

(2) Any order which terminates the prosecution of a petition by upholding the defense of double jeopardy, by holding that a cause of action is not stated under a statute, or by granting a motion to suppress.

"§ 7B-2605. Disposition pending appeal.

Pending disposition of an appeal, the release of the juvenile, with or without conditions, should issue in every case unless the court orders otherwise. For compelling reasons which must be stated in writing, the court may enter a temporary order affecting the custody or placement of the juvenile as the court finds to be in the best interests of the juvenile or the State.

"§ 7B-2606. Disposition after appeal.

Upon the affirmation of the order of adjudication or disposition of the court by the Court of Appeals or by the Supreme Court in the event of an appeal, the court shall have authority to modify or alter the original order of adjudication or disposition as the court finds to be in the best interests of the juvenile to reflect any adjustment made by the juvenile or change in circumstances during the period of time the appeal was pending. If the modifying order is entered ex parte, the court shall give notice to interested parties to show cause within 10 days thereafter as to why the modifying order should be vacated or altered.

"ARTICLE 27.

"Authority Over Parents of Juveniles

Adjudicated Delinquent or Undisciplined.

"§ 7B-2700. Appearance in court.

The parent, guardian, or custodian of a juvenile under the jurisdiction of the juvenile court shall attend the hearings of which the parent, guardian, or custodian receives notice. The court may excuse the appearance of either or both parents or the guardian or custodian at a particular hearing or all hearings. Unless so excused, the willful failure of a parent, guardian, or custodian to attend a hearing of which the parent, guardian, or custodian has notice shall be grounds for contempt.

"§ 7B-2701. Parental responsibility classes.

The court may order the parent, guardian, or custodian of a juvenile who has been adjudicated undisciplined or delinquent to attend parental responsibility classes if those classes are available in the judicial district in which the parent, guardian, or custodian resides.

"§ 7B-2702. Medical, surgical, psychiatric, or psychological evaluation or treatment of juvenile or parent.

(a) If the court orders medical, surgical, psychiatric, psychological, or other evaluation or treatment pursuant to G.S. 7B-2502, the court may order the parent or other responsible parties to pay the cost of the treatment or care ordered.

(b) At the dispositional hearing or a subsequent hearing, if the court finds that it is in the best interests of the juvenile for the parent to be directly involved in the juvenile's evaluation or treatment, the court may order that person to participate in medical, psychiatric, psychological, or other evaluation or treatment of the juvenile. The cost of the evaluation or treatment shall be paid pursuant to G.S. 7B-2502.

(c) At the dispositional hearing or a subsequent hearing, the court may determine whether the best interests of the juvenile require that the parent undergo psychiatric, psychological, or other evaluation or treatment or counseling directed toward remedying behaviors or conditions that led to or contributed to the juvenile's adjudication or to the court's decision to remove custody of the juvenile from the parent. If the court finds that the best interests of the juvenile require the parent undergo evaluation or treatment, it may order that person to comply with a plan of evaluation or treatment approved by the court or condition legal custody or physical placement of the juvenile with the parent upon that person's compliance with the plan of evaluation or treatment.

(d) In cases in which the court has ordered the parent of the juvenile to comply with or undergo evaluation or treatment, the court may order the parent to pay the cost of evaluation or treatment ordered pursuant to this subsection. In cases in which the court has conditioned legal custody or physical placement of the juvenile with the parent upon the parent's compliance with a plan of evaluation or treatment, the court may charge the cost of the evaluation or treatment to the county of the juvenile's residence if the court finds the parent is unable to pay the cost of the evaluation or treatment. In all other cases, if the court finds the parent is unable to pay the cost of the evaluation or treatment ordered pursuant to this subsection, the court may order the parent to receive evaluation or treatment currently available from the area mental health program that serves the parent's catchment area.

"§ 7B-2703. Compliance with orders of court.

(a) The court may order the parent, guardian, or custodian, to the extent that person is able to do so, to provide transportation for a juvenile to keep an appointment with a court counselor or to comply with other orders of the court.

(b) The court may order a parent, guardian, or custodian to cooperate with and assist the juvenile in complying with the terms and conditions of probation or other orders of the court.

"§ 7B-2704. Payment of support or other expenses; assignment of insurance coverage.

At the dispositional hearing or a subsequent hearing, if the court finds that the parent is able to do so, the court may order the parent to:

(1) Pay a reasonable sum that will cover in whole or in part the support of the juvenile. If the court requires the payment of child support, the amount of the payments shall be determined as provided in G.S. 50-13.4;

(2) Pay a fee for probation supervision or residential facility costs;

(3) Assign private insurance coverage to cover medical costs while the juvenile is in secure detention, training school, or other out-of-home placement; and

(4) Pay court-appointed attorneys' fees.

All money paid by a parent pursuant to this section shall be paid into the office of the clerk of superior court.

If the court places a juvenile in the custody of a county department of social services and if the court finds that the parent is unable to pay the cost of the support required by the juvenile, the cost shall be paid by the county department of social services in whose custody the juvenile is placed, provided the juvenile is not receiving care in an institution owned or operated by the State or federal government or any subdivision thereof.

"§ 7B-2705. Employment discrimination unlawful.

No employer may discharge, demote, or deny a promotion or other benefit of employment to any employee because the employee complies with the provisions of this Article. The Commissioner of Labor shall enforce the provisions of this section according to Article 21 of Chapter 95 of the General Statutes, including the rules and regulations issued pursuant to that Article.

"§ 7B-2706. Contempt for failure to comply.

Upon motion of the court counselor or prosecutor or upon the court's own motion, the court may issue an order directing the parent, guardian, or custodian to appear and show cause why the parent, guardian, or custodian should not be found or held in civil or criminal contempt for willfully failing to comply with an order of the court. Chapter 5A of the General Statutes shall govern contempt proceedings initiated pursuant to this Article.

"ARTICLE 28.

"Interstate Compact on Juveniles.

"§ 7B-2800. Execution of Compact.

The Governor is hereby authorized and directed to execute a Compact on behalf of this State with any other state or states legally joining therein in the form substantially as follows: The contracting states solemnly agree.

"§ 7B-2801. Findings and purposes.

Juveniles who are not under proper supervision and control, or who have absconded, escaped, or run away, are likely to endanger their own health, morals, and welfare, and the health, morals, and welfare of others. The cooperation of the states party to this Compact is therefore necessary to provide for the welfare and protection of juveniles and of the public with respect to:

(1) Cooperative supervision of delinquent juveniles on probation or parole;

(2) The return, from one state to another, of delinquent juveniles who have escaped or absconded;

(3) The return, from one state to another, of nondelinquent juveniles who have run away from home; and

(4) Additional measures for the protection of juveniles and of the public, which any two or more of the party states may find desirable to undertake cooperatively.

In carrying out the provisions of this Compact, the party states shall be guided by the noncriminal, reformative, and protective policies which guide their laws concerning delinquent, neglected, or dependent juveniles generally. It shall be the policy of the states party to this Compact to cooperate and observe their respective responsibilities for the prompt return and acceptance of juveniles and delinquent juveniles who become subject to the provisions of this Compact. The provisions of this Compact shall be reasonably and liberally construed to accomplish the foregoing purposes.

"§ 7B-2802. Existing rights and remedies.

All remedies and procedures provided by this Compact are in addition to and not in substitution for other rights, remedies, and procedures and are not in derogation of parental rights and responsibilities.

"§ 7B-2803. Definitions.

For the purposes of this Compact, `delinquent juvenile' means any juvenile who has been adjudged delinquent and who, at the time the provisions of this Compact are invoked, is still subject to the jurisdiction of the court that has made adjudication or to the jurisdiction or supervision of an agency or institution pursuant to an order of the court; `probation or parole' means any kind of post-release supervision of juveniles authorized under the laws of the states party hereto; `court' means any court having jurisdiction over delinquent, neglected, or dependent juveniles; `state' means any state, territory, or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico; and `residence' or any variant thereof means a place at which a home or regular place of abode is maintained.

"§ 7B-2804. Return of runaways.

(a) The parent, guardian, person, or agency entitled to legal custody of a juvenile who has not been adjudged delinquent but who has run away without the consent of the parent, guardian, person, or agency may petition the appropriate court in the demanding state for the issuance of a requisition for the juvenile's return. The petition shall state the name and age of the juvenile, the name of the petitioner, and the basis of entitlement to the juvenile's custody, the circumstances of the running away, the juvenile's location if known at the time application is made, and any other facts that may tend to show that the juvenile who has run away is endangering the juvenile's own welfare or the welfare of others and is not an emancipated minor. The petition shall be verified by affidavit, shall be executed in duplicate, and shall be accompanied by two certified copies of the document or documents on which the petitioner's entitlement to the juvenile's custody is based, such as birth certificates, letters of guardianship, or custody decrees. Any further affidavits and other documents as may be deemed proper may be submitted with the petition. The judge of the court to which this application is made may hold a hearing thereon to determine whether for the purposes of this Compact the petitioner is entitled to the legal custody of the juvenile, whether or not it appears that the juvenile has in fact run away without consent, whether or not the juvenile is an emancipated minor, and whether or not it is in the best interests of the juvenile to compel the juvenile's return to the state. If the judge determines, either with or without a hearing, that the juvenile should be returned, the judge shall present to the appropriate court or to the executive authority of the state where the juvenile is alleged to be located a written requisition for the return of the juvenile. The requisition shall set forth the name and age of the juvenile, the determination of the court that the juvenile has run away without the consent of a parent, guardian, person, or agency entitled to legal custody, and that it is in the best interests and for the protection of the

juvenile that the juvenile be returned. In the event that a proceeding for the adjudication of the juvenile as a delinquent, neglected, or dependent juvenile is pending in the court at the time when the juvenile runs away, the court may issue a requisition for the return of the juvenile upon its own motion, regardless of the consent of the parent, guardian, person, or agency entitled to legal custody, reciting therein the nature and circumstances of the pending proceeding. The requisition shall in every case be executed in duplicate and shall be signed by the judge. One copy of the requisition shall be filed with the Compact Administrator of the demanding state, there to remain on file subject to the provisions of law governing records of the court. Upon the receipt of a requisition demanding the return of a juvenile who has run away, the court or the executive authority to whom the requisition is addressed shall issue an order to any peace officer or other appropriate person directing that person to take into custody and detain the juvenile. The detention order must substantially recite the facts necessary to the validity of its issuance hereunder. No juvenile detained upon the order shall be delivered over to the officer whom the court has appointed to receive the juvenile unless the juvenile first is taken before a judge of a court in the state, who shall inform the juvenile of the demand made for the juvenile's return, and who may appoint counsel or guardian ad litem for the juvenile. If the court finds that the requisition is in order, the court shall deliver the juvenile over to the officer appointed to receive the juvenile by the court demanding the juvenile. The court, however, may fix a reasonable time to be allowed for the purpose of testing the legality of the proceeding.

Upon reasonable information that a person is a juvenile who has run away from another state party to this Compact without the consent of a parent, guardian, person, or agency entitled to legal custody, the juvenile may be taken into custody without a requisition and brought before a judge of the appropriate court who may appoint counsel or guardian ad litem for the juvenile and who shall determine after a hearing whether sufficient cause exists to hold the person, subject to the order of the court, for the juvenile's own protection and welfare, for such a time not exceeding 90 days as will enable the return of the juvenile to another state party to this Compact pursuant to a requisition for return from a court of that state. If, at the time when a state seeks the return of a juvenile who has run away, there is pending in the state wherein the juvenile is found, any criminal charge, or any proceeding to have the juvenile adjudicated a delinquent juvenile for an act committed in the state, or if the juvenile is suspected of having committed within the state a criminal offense or an act of juvenile delinquency, the juvenile shall not be returned without the consent of the state until discharged from prosecution or other form of proceeding, imprisonment, detention, or supervision for the offense or juvenile delinquency. The duly accredited officers of any state party to this Compact, upon the establishment of their authority and the identity of the juvenile being returned, shall be permitted to transport the juvenile through any and all states party to this Compact, without interference. Upon return of the juvenile to the state from which the juvenile ran away, the juvenile shall be subject to such further proceedings as may be appropriate under the laws of that state.

(b) The state to which the juvenile is returned under this Article shall be responsible for payment of the transportation costs of return.

(c) The term `juvenile' as used in this Article means any person who is a minor under the law of the state of residence of the parent, guardian, person, or agency entitled to the legal custody of the minor.

"§ 7B-2805. Return of escapees and absconders.

(a) The appropriate person or authority from whose probation or parole supervision a delinquent juvenile has absconded or from whose institutional custody a delinquent

juvenile has escaped shall present to the appropriate court or to the executive authority of the state where the delinquent juvenile is alleged to be located a written requisition for the return of the delinquent juvenile. The requisition shall state the name and age of the delinquent juvenile, the particulars of the juvenile's adjudication as a delinquent juvenile, the circumstances of the breach of the terms of probation or parole or of the juvenile's escape from an institution or agency vested with legal custody or supervision, and the location of the delinquent juvenile, if known, at the time the requisition is made. The requisition shall be verified by affidavit, shall be executed in duplicate, and shall be accompanied by two certified copies of the judgment, formal adjudication, or order of commitment which subjects the delinquent juvenile to probation or parole or to the legal custody of the institution or agency concerned. Any further affidavits and documents as may be deemed proper may be submitted with the requisition. One copy of the requisition shall be filed with the Compact Administrator of the demanding state, there to remain on file subject to the provisions of the law governing records of the appropriate court. Upon the receipt of a requisition demanding the return of a delinquent juvenile who has absconded or escaped, the court or the executive authority to whom the requisition is addressed shall issue an order to any peace officer or other appropriate person directing the person to take into custody and detain such delinquent juvenile. The detention order must substantially recite the facts necessary to the validity of its issuance hereunder. No delinquent juvenile detained upon the order shall be delivered over to the officer whom the appropriate person or authority demanding the juvenile has appointed to receive the juvenile, unless the juvenile is first taken forthwith before a judge of an appropriate court in the state, who shall inform the juvenile of the demand made for the return, and who may appoint counsel or guardian ad litem for the juvenile. If the judge of the court finds that the requisition is in order, the judge shall deliver the delinquent juvenile over to the officer whom the appropriate person or authority demanding the juvenile appointed to receive the juvenile. The judge, however, may fix a reasonable time to be allowed for the purpose of testing the legality of the proceeding.

Upon reasonable information that a person is a delinquent juvenile who has absconded while on probation or parole, or escaped from an institution or agency vested with legal custody or supervision in any state party to this Compact, the person may be taken into custody in any other state party to this Compact without a requisition. But in that event, the juvenile shall be taken forthwith before a judge of the appropriate court, who may appoint counsel or guardian ad litem for the person and who shall determine after a hearing, whether sufficient cause exists to hold the person subject to the order of the court for a length of time, not exceeding 90 days, as will enable detention of the juvenile under a detention order issued on a requisition pursuant to this Article. If, at the time when a state seeks the return of a delinquent who has either absconded while on probation or parole or escaped from an institution or agency vested with legal custody or supervision, there is pending in the state wherein the juvenile is detained any criminal charge or any proceeding to have the juvenile adjudicated a delinquent juvenile for an act committed in the state, or if the juvenile is suspected of having committed a criminal offense or an act of juvenile delinquency within the state, the juvenile shall not be returned without the consent of the state until discharged from prosecution or other form of proceeding, imprisonment, detention, or supervision for the offense or juvenile delinquency. The duly accredited officers of any state party to this Compact, upon the establishment of their authority and the identity of the delinquent juvenile being returned, shall be permitted to transport the delinquent juvenile through any and all states party to this Compact, without interference. Upon return to the state from which the juvenile escaped or absconded, the delinquent juvenile shall be subject to any further proceedings

appropriate under the laws of that state.

(b) The state to which a delinquent juvenile is returned under this Article shall be responsible for the payment of transportation costs of the return.

"§ 7B-2806. Voluntary return procedure.

Any delinquent juvenile who has absconded while on probation or parole, or escaped from an institution or agency vested with legal custody or supervision in any state party to this Compact, and any juvenile who has run away from any state party to this Compact, who is taken into custody without a requisition in another state party to this Compact under the provisions of G.S. 7B-2804(a) or G.S. 7B-2805(a), may consent to the immediate return of the juvenile to the state from which the juvenile absconded, escaped, or ran away. Consent shall be given by the juvenile or delinquent juvenile and the juvenile's counsel or guardian ad litem, if any, by executing or subscribing a writing in the presence of a judge of the appropriate court, which states that the juvenile or delinquent juvenile and the juvenile's counsel or guardian ad litem, if any, consent to return of the juvenile to the demanding state. Before consent is executed or subscribed, however, the judge, in the presence of counsel or guardian ad litem, if any, shall inform the juvenile or delinquent juvenile of the juvenile's rights under this Compact. When the consent has been duly executed, it shall be forwarded to and filed with the Compact Administrator of the state in which the court is located, and the judge shall direct the officer having the juvenile or delinquent juvenile in custody to deliver the juvenile to the duly accredited officer or officers of the state demanding return of the juvenile and shall cause to be delivered to the officer or officers a copy of the consent. The court may, however, upon the request of the state to which the juvenile or delinquent juvenile is being returned, order the juvenile to return unaccompanied to the state and shall provide the juvenile with a copy of the court order; in that event a copy of the consent shall be forwarded to the Compact Administrator of the state to which the juvenile or delinquent juvenile is ordered to return.

"§ 7B-2807. Cooperative supervision of probationers and parolees.

(a) That the duly constituted judicial and administrative authorities of a state party to this Compact (herein called `sending state') may permit any delinquent juvenile within such state, placed on probation or parole, to reside in any other state party to this Compact (herein called `receiving state') while on probation or parole, and the receiving state shall accept the delinquent juvenile, if the parent, guardian, or person entitled to the legal custody of the delinquent juvenile is residing or undertakes to reside within the receiving state. Before granting permission, opportunity shall be given to the receiving state to make investigations as it deems necessary. The authorities of the sending state shall send to the authorities of the receiving state copies of pertinent court orders, social case studies, and all other available information which may be of value to and assist the receiving state in supervising a probationer or parolee under this Compact. A receiving state, in its discretion, may agree to accept supervision of a probationer or parolee in cases where the parent, guardian, or person entitled to the legal custody of the delinquent juvenile is not a resident of the receiving state, and if so accepted, the sending state may transfer the supervision accordingly.

(b) That each receiving state will assume the duties of visitation and of supervision over any delinquent juvenile and in the exercise of those duties will be governed by the same standards of visitation and supervision that prevail for its own delinquent juveniles released on probation or parole.

(c) That, after consultation between the appropriate authorities of the sending state and of the receiving state as to the desirability and necessity of returning the delinquent juvenile, the duly accredited officers of a sending state may enter a receiving state and

there apprehend and retake any delinquent juvenile on probation or parole. For that purpose, no formalities will be required other than establishing the authority of the officer and the identity of the delinquent juvenile to be retaken and returned. The decision of the sending state to retake a delinquent juvenile on probation or parole shall be conclusive upon and not reviewable within the receiving state, but if, at the time the sending state seeks to retake a delinquent juvenile on probation or parole, there is pending against the juvenile within the receiving state any criminal charge or any proceeding to have the juvenile adjudicated a delinquent juvenile for any act committed in the state or if the juvenile is suspected of having committed within the state a criminal offense or an act of juvenile delinquency, the juvenile shall not be returned without the consent of the receiving state until discharged from prosecution or other form of proceeding, imprisonment, detention, or supervision for the offense or juvenile delinquency. The duly accredited officers of the sending state shall be permitted to transport delinquent juveniles being so returned through any and all states party to this Compact without interference.

(d) The sending state shall be responsible under this Article for paying the costs of transporting any delinquent juvenile to the receiving state or of returning any delinquent juvenile to the sending state.

"§ 7B-2808. Responsibility for costs.

(a) The provisions of G.S. 7B-2804(b), 7B-2805(b), and 7B- 2807(d) shall not be construed to alter or affect any internal relationship among the departments, agencies, and officers of and in the government of a party state, or between a party state and its subdivisions, as to the payment of costs or responsibilities therefor.

(b) Nothing in this Compact shall be construed to prevent any party state or subdivision thereof from asserting any right against any person, agency, or other entity in regard to costs for which such party state or subdivision thereof may be responsible pursuant to G.S. 7B-2804(b), 7B-2805(b), and 7B- 2807(d).

"§ 7B-2809. Detention practices.

To every extent possible, it shall be the policy of states party to this Compact that no juvenile or delinquent juvenile shall be placed or detained in any prison, jail, or lockup, nor be detained or transported in association with criminal, vicious, or dissolute persons.

"§ 7B-2810. Supplementary agreements.

The duly constituted administrative authorities of a state party to this Compact may enter into supplementary agreements with any other state or states party hereto for the cooperative care, treatment, and rehabilitation of delinquent juveniles whenever they find that the agreements will improve the facilities or programs available for care, treatment, and rehabilitation. Care, treatment, and rehabilitation may be provided in an institution located within any state entering into a supplementary agreement. Supplementary agreements shall:

(1) Provide the rates to be paid for the care, treatment, and custody of delinquent juveniles taking into consideration the character of facilities, services, and subsistence furnished;

(2) Provide that the delinquent juvenile shall be given a court hearing prior to the juvenile being sent to another state for care, treatment, and custody;

(3) Provide that the state receiving a delinquent juvenile in one of its institutions shall act solely as agent for the state sending the delinquent juvenile;

(4) Provide that the sending state shall at all times retain jurisdiction over delinquent juveniles sent to an institution in another state;

(5) Provide for reasonable inspection of the institutions by the sending state;

(6) Provide that the consent of the parent, guardian, person, or agency entitled to the legal custody of the delinquent juvenile shall be secured prior to the juvenile being sent to another state; and

(7) Make provisions for any other matters and details as shall be necessary to protect the rights and equities of delinquent juveniles and of the cooperating states.

"§ 7B-2811. Acceptance of federal and other aid.

Any state party to this Compact may accept any and all donations, gifts, and grants of money, equipment, and services from the federal or any local government, or any agency thereof and from any person, firm, or corporation, for any of the purposes and functions of this Compact, and may receive and utilize, the same subject to the terms, conditions, and regulations governing such donations, gifts, and grants.

"§ 7B-2812. Compact administrators.

The governor of each state party to this Compact shall designate an officer who, acting jointly with like officers of other party states, shall promulgate rules and regulations to carry out more efficiently the terms and provisions of this Compact.

"§ 7B-2813. Execution of Compact.

This Compact shall become operative immediately upon its execution by any state as between it and any other state or states so executing. When executed it shall have the full force and effect of law within the state, the form of execution to be in accordance with the laws of the executing state.

"§ 7B-2814. Renunciation.

This Compact shall continue in force and remain binding upon each executing state until renounced by it. Renunciation of this Compact shall be by the same authority which executed it, by sending six months' notice in writing of its intention to withdraw from the Compact to the other states party hereto. The duties and obligations of a renouncing state under G.S. 7B-2807 hereof shall continue as to parolees and probationers residing therein at the time of withdrawal until retaken or finally discharged. Supplementary agreements entered into under G.S. 7B- 2810 hereof shall be subject to renunciation as provided by supplementary agreements and shall not be subject to the six months' renunciation notice of the present section.

"§ 7B-2815. Severability.

The provisions of this Compact shall be severable and, if any phrase, clause, sentence, or provision of this Compact is declared to be contrary to the constitution of any participating state or of the United States or the applicability thereof to any government, agency, person, or circumstances is held invalid, the validity of the remainder of this Compact and the applicability thereof to any government, agency, person, or circumstances shall not be affected thereby. If this Compact shall be held contrary to the constitution of any state participating therein, the Compact shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters.

"§ 7B-2816. Authority of Governor to designate Compact Administrator.

Pursuant to said Compact, the Governor is hereby authorized and empowered to designate an officer who shall be the Compact Administrator and who, acting jointly with like officers of other party states, shall adopt rules and regulations to carry out more effectively the terms of the Compact. The Compact Administrator shall serve subject to the pleasure of the Governor. The Compact Administrator is hereby authorized, empowered, and directed to cooperate with all departments, agencies, and officers of and in the government of this State and its subdivisions in facilitating the proper administration of the Compact or of any supplementary agreement or agreements entered

into by this State hereunder.

"§ 7B-2817. Authority of Compact Administrator to enter into supplementary agreements.

The Compact Administrator is hereby authorized and empowered to enter into supplementary agreements with appropriate officials of other states pursuant to the Compact. In the event that the supplementary agreement shall require or contemplate the use of any institution or facility of this State or require or contemplate the provision of any service by this State, the supplementary agreement shall have no force or effect until approved by the head of the department or agency under whose jurisdiction said institution or facility is operated or whose department or agency will be charged with the rendering of the service.

"§ 7B-2818. Discharging financial obligations imposed by Compact or agreement.

The Compact Administrator, subject to the approval of the Director of the Budget, may make or arrange for any payments necessary to discharge any financial obligations imposed upon this State by the Compact or by any supplementary agreement entered into thereunder.

"§ 7B-2819. Enforcement of Compact.

The courts, departments, agencies, and officers of this State and subdivisions shall enforce this Compact and shall do all things appropriate to the effectuation of its purposes and intent which may be within their respective jurisdictions.

"§ 7B-2820. Additional procedure for returning runaways not precluded.

In addition to any procedure provided in G.S. 7B-2804 and G.S. 7B-2806 of the Compact for the return of any runaway juvenile, the particular states, the juvenile or the juvenile's parents, the courts, or other legal custodian involved may agree upon and adopt any other plan or procedure legally authorized under the laws of this State and the other respective party states for the return of any runaway juvenile.

"§ 7B-2821. Proceedings for return of runaways under G.S. 7B-2804 of Compact; `juvenile' construed.

The judge of any court in North Carolina to which an application is made for the return of a runaway under the provisions of G.S. 7B-2804 of the Interstate Compact on Juveniles shall hold a hearing thereon to determine whether for the purposes of the Compact the petitioner is entitled to the legal custody of the juvenile, whether or not it appears that the juvenile has in fact run away without consent, whether or not the juvenile is an emancipated minor, and whether or not it is in the best interests of the juvenile to compel the return of the juvenile to the state. The judge of any court in North Carolina, finding that a requisition for the return of a juvenile under the provisions of G.S. 7B-2804 of the Compact is in order, shall upon request fix a reasonable time to be allowed for the purpose of testing the legality of the proceeding. The period of time for holding a juvenile in custody under the provisions of G.S. 7B- 2804 of the Compact for the protection and welfare of the juvenile, subject to the order of a court of this State, to enable the juvenile's return to another state party to the Compact pursuant to a requisition for return from a court of that state, shall not exceed 30 days. In applying the provisions of G.S. 7B-2804 of the Compact to secure the return of a runaway from North Carolina, the courts of this State shall construe the word `juvenile' as used in this Article to mean any person who has not reached the person's eighteenth birthday.

"§ 7B-2822. Interstate parole and probation hearing procedures for juveniles.

Where supervision of a parolee or probationer is being administered pursuant to the Interstate Compact on Juveniles, the appropriate judicial or administrative authorities in this State shall notify the Compact Administrator of the sending state whenever, in their view, consideration should be given to retaking or reincarceration for a parole or a

probation violation. Prior to giving of notification, a hearing shall be held in accordance with this Article within a reasonable time, unless the hearing is waived by the parolee or probationer. The appropriate officer or officers of this State shall, as soon as practicable, following termination of any hearing, report to the sending state, furnish a copy of the hearing record, and make recommendations regarding the disposition to be made of the parolee or probationer by the sending state. Pending any proceeding pursuant to this section, the appropriate officers of this State may take custody of and detain the parolee or probationer involved for a period not to exceed 10 days prior to the hearing and, if it appears to the hearing officer or officers that retaking or reincarceration is likely to follow, for a reasonable period after the hearing or waiver as may be necessary to arrange for retaking or the reincarceration.

"§ 7B-2823. Hearing officers.

Any hearing pursuant to this Article may be before the Administrator of the Interstate Compact on Juveniles, a deputy of the Administrator, or any other person authorized pursuant to the juvenile laws of this State to hear cases of alleged juvenile parole or probation violations, except that no hearing officer shall be the person making the allegation of violation.

"§ 7B-2824. Due process at parole or probation violation hearing.

With respect to any hearing pursuant to this Article, the parolee or probationer:

(1) Shall have reasonable notice in writing of the nature and content of the allegations to be made, including notice that the purpose of the hearing is to determine whether there is probable cause to believe that the parolee or probationer has committed a violation that may lead to a revocation of parole or probation;

(2) Shall be permitted to advise with any persons whose assistance the parolee or probationer reasonably desires, prior to the hearing;

(3) Shall have the right to confront and examine any persons who have made allegations against the parolee or probationer, unless the hearing officer determines that confrontation would present a substantial present or subsequent danger of harm to the person or persons; and

(4) May admit, deny, or explain the violation alleged and may present proof, including affidavits and other evidence, in support of the parolee's or probationer's contentions.

A record of the proceedings shall be made and preserved.

"§ 7B-2825. Effect of parole or probation violation hearing outside State.

In any case of alleged parole or probation violation by a person being supervised in another state pursuant to the Interstate Compact on Juveniles, any appropriate judicial or administrative officer or agency in another state is authorized to hold a hearing on the alleged violation. Upon receipt of the record of a parole or probation violation hearing held in another state pursuant to a statute substantially similar to this Article, such record shall have the same standing and effect as though the proceeding of which it is a record was had before the appropriate officer or officers in this State, and any recommendations contained in or accompanying the record shall be fully considered by the appropriate officer or officers of this State in making disposition of the matter.

"§ 7B-2826. Amendment to Interstate Compact on Juveniles concerning interstate rendition of juveniles alleged to be delinquent.

(a) This amendment shall provide additional remedies and shall be binding only as among and between those party states which specifically execute the same.

(b) All provisions and procedures of G.S. 7B-2805 and G.S. 7B- 2806 of the Interstate Compact on Juveniles shall be construed to apply to any juvenile charged with being a

delinquent by reason of a violation of any criminal law. Any juvenile, charged with being a delinquent by reason of violating any criminal law, shall be returned to the requesting state upon a requisition to the state where the juvenile may be found. A petition in the case shall be filed in a court of competent jurisdiction in the requesting state where the violation of criminal law is alleged to have been committed. The petition may be filed regardless of whether the juvenile has left the state before or after the filing of the petition. The requisition described in G.S. 7B-2805 of the Compact shall be forwarded by the judge of the court in which the petition has been filed.

"§ 7B-2827. Out-of-State Confinement Amendment.

(a) The Out-of-State Confinement Amendment to the Interstate Compact on Juveniles is hereby enacted into law and entered into by this State with all other states legally joining therein in the form substantially as follows:

(1) Whenever the fully constituted judicial or administrative authorities in a sending state shall determine that confinement of a probationer or reconfinement of a parolee is necessary or desirable, the officials may direct that the confinement or reconfinement be in an appropriate institution for delinquent juveniles within the territory of the receiving state, the receiving state to act in that regard solely as agent for the sending state.

(2) Escapees and absconders who would otherwise be returned pursuant to G.S. 7B-2805 of the Compact may be confined or reconfined in the receiving state pursuant to this amendment. In any case in which the information and allegations are required to be made and furnished in a requisition pursuant to G.S. 7B-2805, the sending state shall request confinement or reconfinement in the receiving state. Whenever applicable, detention orders, as provided in G.S. 7B-2805, may be employed pursuant to this paragraph preliminary to disposition of the escapee or absconder.

(3) The confinement or reconfinement of a parolee, probationer, escapee, or absconder pursuant to this amendment shall require the concurrence of the appropriate judicial or administrative authorities of the receiving state.

(4) As used in this amendment: (i) `sending state' means a sending state as that term is used in G.S. 7B-2807 of the Compact or the state from which a delinquent juvenile has escaped or absconded within the meaning of G.S. 7B-2805 of the Compact; (ii) `receiving state' means any state, other than the sending state, in which a parolee, probationer, escapee, or absconder may be found, provided that the state is a party to this amendment.

(5) Every state which adopts this amendment shall designate at least one of its institutions for delinquent juveniles as a `Compact Institution' and shall confine persons therein as provided in subdivision (1) of this subsection unless the sending and receiving state in question shall make specific contractual arrangements to the contrary. All states party to this amendment shall have access to `Compact Institutions' at all reasonable hours for the purpose of inspecting the facilities thereof and for the purpose of visiting such of the State's delinquents as may be confined in the institution.

(6) Persons confined in `Compact Institutions' pursuant to the terms of this Compact shall at all times be subject to the jurisdiction of the sending

state and may at any time be removed from the `Compact Institution' for transfer to an appropriate institution within the sending state, for return to probation or parole, for discharge, or for any purpose permitted by the laws of the sending state.

(7) All persons who may be confined in a `Compact Institution' pursuant to the provisions of this amendment shall be treated in a reasonable and humane manner. The fact of confinement or reconfinement in a receiving state shall not deprive any person so confined or reconfined of any rights which the person would have had if confined or reconfined in an appropriate institution of the sending state. No agreement to submit to confinement or reconfinement pursuant to the terms of this amendment may be construed as a waiver of any rights which the delinquent would have had if the person had been confined or reconfined in any appropriate institution of the sending state, except that the hearing or hearings, if any, to which a parolee, probationer, escapee, or absconder may be entitled (prior to confinement or reconfinement) by the laws of the sending state may be had before the appropriate judicial or administrative officers of the receiving state. In this event, said judicial and administrative officers shall act as agents of the sending state after consultation with appropriate officers of the sending state.

(8) Any receiving state incurring costs or other expenses under this amendment shall be reimbursed in the amount of the costs or other expenses by the sending state unless the states concerned shall specifically otherwise agree. Any two or more states party to this amendment may enter into supplementary agreements determining a different allocation of costs as among themselves.

(9) This amendment shall take initial effect when entered into by any two or more states party to the Compact and shall be effective as to those states which have specifically enacted this amendment. Rules and regulations necessary to effectuate the terms of this amendment may be adopted by the appropriate officers of those states which have enacted this amendment.

(b) In addition to any institution in which the authorities of this State may otherwise confine or order the confinement of a delinquent juvenile, the authorities may, pursuant to the Out-of-State Confinement Amendment to the Interstate Compact on Juveniles, confine or order the confinement of a delinquent juvenile in a Compact Institution within another party state.

"SUBCHAPTER III. JUVENILE RECORDS.

"ARTICLE 29.

"Records and Social Reports of Cases of Abuse, Neglect, and Dependency.

"§ 7B-2900. Definitions.

The definitions of G.S. 7B-101 and G.S. 7B-1501 apply to this Subchapter.

"§ 7B-2901. Confidentiality of records.

(a) The clerk shall maintain a complete record of all juvenile cases filed in the clerk's office alleging abuse, neglect, or dependency. The records shall be withheld from public inspection and, except as provided in this subsection, may be examined only by order of the court. The record shall include the summons, petition, custody order, court order, written motions, the electronic or mechanical recording of the hearing, and other papers filed in the proceeding. The recording of the hearing shall be reduced to a written

transcript only when notice of appeal has been timely given. After the time for appeal has expired with no appeal having been filed, the recording of the hearing may be erased or destroyed upon the written order of the court.

(b) The Director of the Department of Social Services shall maintain a record of the cases of juveniles under protective custody by the Department or under placement by the court, which shall include family background information; reports of social, medical, psychiatric, or psychological information concerning a juvenile or the juvenile's family; interviews with the juvenile's family; or other information which the court finds should be protected from public inspection in the best interests of the juvenile. The records maintained pursuant to this subsection may be examined only by order of the court except that the guardian ad litem, or juvenile, shall have the right to examine them.

(c) In the case of a child victim, the court may order the sharing of information among such public agencies as the court deems necessary to reduce the trauma to the victim.

(d) The court's entire record of a proceeding involving consent for an abortion on an unemancipated minor under Article 1A, Part 2 of Chapter 90 of the General Statutes is not a matter of public record, shall be maintained separately from any juvenile record, shall be withheld from public inspection, and may be examined only by order of the court, by the unemancipated minor, or by the unemancipated minor's attorney or guardian ad litem.

"§ 7B-2902. Disclosure in child fatality or near fatality cases.

(a) The following definitions apply in this section:

(1) Child fatality. -- The death of a child from suspected abuse, neglect, or maltreatment.

(2) Findings and information. -- A written summary, as allowed by subsections (c) through (f) of this section, of actions taken or services rendered by a public agency following receipt of information that a child might be in need of protection. The written summary shall include any of the following information the agency is able to provide:

a. The dates, outcomes, and results of any actions taken or services rendered.

b. The results of any review by the State Child Fatality Prevention Team, a local child fatality prevention team, a local community child protection team, the Child Fatality Task Force, or any public agency.

c. Confirmation of the receipt of all reports, accepted or not accepted by the county department of social services, for investigation of suspected child abuse, neglect, or maltreatment, including confirmation that investigations were conducted, the results of the investigations, a description of the conduct of the most recent investigation and the services rendered, and a statement of basis for the department's decision.

(3) Near fatality. -- A case in which a physician determines that a child is in serious or critical condition as the result of sickness or injury caused by suspected abuse, neglect, or maltreatment.

(4) Public agency. -- Any agency of State government or its subdivisions as defined in G.S. 132-1(a).

(b) Notwithstanding any other provision of law and subject to the provisions of subsections (c) through (f) of this section, a public agency shall disclose to the public, upon request, the findings and information related to a child fatality or near fatality if:

(1) A person is criminally charged with having caused the child fatality or

near fatality; or

(2) The district attorney has certified that a person would be charged with having caused the child fatality or near fatality but for that person's prior death.

(c) Nothing herein shall be deemed to authorize access to the confidential records in the custody of a public agency, or the disclosure to the public of the substance or content of any psychiatric, psychological, or therapeutic evaluations or like materials or information pertaining to the child or the child's family unless directly related to the cause of the child fatality or near fatality, or the disclosure of information that would reveal the identities of persons who provided information related to the suspected abuse, neglect, or maltreatment of the child.

(d) Within five working days from the receipt of a request for findings and information related to a child fatality or near fatality, a public agency shall consult with the appropriate district attorney and provide the findings and information unless the agency has a reasonable belief that release of the information:

(1) Is not authorized by subsections (a) and (b) of this section;

(2) Is likely to cause mental or physical harm or danger to a minor child residing in the deceased or injured child's household;

(3) Is likely to jeopardize the State's ability to prosecute the defendant;

(4) Is likely to jeopardize the defendant's right to a fair trial;

(5) Is likely to undermine an ongoing or future criminal investigation; or

(6) Is not authorized by federal law and regulations.

(e) Any person whose request is denied may apply to the appropriate superior court for an order compelling disclosure of the findings and information of the public agency. The application shall set forth, with reasonable particularity, factors supporting the application. The superior court shall have jurisdiction to issue such orders. Actions brought pursuant to this section shall be set down for immediate hearing, and subsequent proceedings in such actions shall be accorded priority by the appellate courts. After the court has reviewed the specific findings and information, in camera, the court shall issue an order compelling disclosure unless the court finds that one or more of the circumstances in subsection (d) of this section exist.

(f) Access to criminal investigative reports and criminal intelligence information of public law enforcement agencies and confidential information in the possession of the State Child Fatality Prevention Team, the local teams, and the Child Fatality Task Force, shall be governed by G.S. 132-1.4 and G.S. 7B-1413 respectively. Nothing herein shall be deemed to require the disclosure or release of any information in the possession of a district attorney.

(g) Any public agency or its employees acting in good faith in disclosing or declining to disclose information pursuant to this section shall be immune from any criminal or civil liability that might otherwise be incurred or imposed for such action.

(h) Nothing herein shall be deemed to narrow or limit the definition of `public records' as set forth in G.S. 132-1(a).

"ARTICLE 30.

"Juvenile Records and Social Reports of

Delinquency and Undisciplined Cases.

"§ 7B-3000. Juvenile court records.

(a) The clerk shall maintain a complete record of all juvenile cases filed in the clerk's office to be known as the juvenile record. The record shall include the summons and petition, any secure or nonsecure custody order, any electronic or mechanical recording of hearings, and any written motions, orders, or papers filed in the proceeding.

(b) All juvenile records shall be withheld from public inspection and, except as provided in this subsection, may be examined only by order of the court. Except as provided in subsection (c) of this section, the following persons may examine the juvenile's record and obtain copies of written parts of the record without an order of the court:

(1) The juvenile;

(2) The juvenile's parent, guardian, or custodian, or the authorized representative of the juvenile's parent, guardian, or custodian;

(3) The prosecutor; and

(4) Court counselors.

Except as provided in subsection (c) of this section, the prosecutor may, in the prosecutor's discretion, share information obtained from a juvenile's record with law enforcement officers sworn in this State, but may not allow a law enforcement officer to photocopy any part of the record.

(c) The court may direct the clerk to `seal' any portion of a juvenile's record. The clerk shall secure any sealed portion of a juvenile's record in an envelope clearly marked `SEALED: MAY BE EXAMINED ONLY BY ORDER OF THE COURT', or with similar notice, and shall permit examination or copying of sealed portions of a juvenile's record only pursuant to a court order specifically authorizing inspection or copying.

(d) Any portion of a juvenile's record consisting of an electronic or mechanical recording of a hearing shall be transcribed only when notice of appeal has been timely given and shall be copied electronically or mechanically, only by order of the court. After the time for appeal has expired with no appeal having been filed, the court may enter a written order directing the clerk to destroy the recording of the hearing.

(e) The juvenile's record of an adjudication of delinquency for an offense that would be a felony if committed by an adult may be used by law enforcement, the magistrate, and the prosecutor for pretrial release and plea negotiating decisions.

(f) The juvenile's record of an adjudication of delinquency for an offense that would be a Class A, B1, B2, C, D, or E felony if committed by an adult may be used in a subsequent criminal proceeding against the juvenile either under G.S. 8C-1, Rule 404(b), or to prove an aggravating factor at sentencing under G.S. 15A-1340.4(a), 15A-1340.16(d), or 15A-2000(e). The record may be so used only by order of the court in the subsequent criminal proceeding, upon motion of the prosecutor, after an in camera hearing to determine whether the record in question is admissible.

(g) Except as provided in subsection (d) of this section, a juvenile's record shall be destroyed only as authorized by G.S. 7B-3200 or by rules adopted by the Office of Juvenile Justice.

"§ 7B-3001. Other records relating to juveniles.

(a) The chief court counselor shall maintain a record of all cases of juveniles under supervision of court counselors, to be known as the court counselor's record. The court counselor's record shall include family background information; reports of social, medical, psychiatric, or psychological information concerning a juvenile or the juvenile's family; probation reports; interviews with the juvenile's family; or other information the court finds should be protected from public inspection in the best interests of the juvenile.

(b) Unless jurisdiction of the juvenile has been transferred to superior court, all law enforcement records and files concerning a juvenile shall be kept separate from the records and files of adults and shall be withheld from public inspection. The following persons may examine and obtain copies of law enforcement records and files concerning a juvenile without an order of the court:

(1) The juvenile;

(2) The juvenile's parent, guardian, custodian, or the authorized representative of the juvenile's parent, guardian, or custodian;

(3) The district attorney or prosecutor;

(4) Court counselors; and

(5) Law enforcement officers sworn in this State.

Otherwise, the records and files may be examined or copied only by order of the court.

(c) All records and files maintained by the Office pursuant to this Chapter shall be withheld from public inspection. The following persons may examine and obtain copies of the Office records and files concerning a juvenile without an order of the court:

(1) The juvenile and the juvenile's attorney;

(2) The juvenile's parent, guardian, custodian, or the authorized representative of the juvenile's parent, guardian, or custodian;

(3) Professionals in the agency who are directly involved in the juvenile's case; and

(4) Court counselors.

Otherwise, the records and files may be examined or copied only by order of the court. The court may inspect and order the release of records maintained by the Office.

"ARTICLE 31.

"Disclosure of Juvenile Information.

"§ 7B-3100. Disclosure of information about juveniles.

(a) The Office, after consultation with the Conference of Chief District Court Judges, shall adopt rules designating certain local agencies that are authorized to share information concerning juveniles in accordance with the provisions of this section. Agencies so designated shall share with one another, upon request, information that is in their possession that is relevant to any case in which a petition is filed alleging that a juvenile is abused, neglected, dependent, undisciplined, or delinquent and shall continue to do so until the juvenile is no longer subject to the jurisdiction of juvenile court. Agencies that may be designated as `agencies authorized to share information' include local mental health facilities, local health departments, local departments of social services, local law enforcement agencies, local school administrative units, the district's district attorney's office, the Office of Juvenile Justice, and the Office of Guardian ad Litem Services of the Administrative Office of the Courts. Any information shared among agencies pursuant to this section shall remain confidential, shall be withheld from public inspection, and shall be used only for the protection of the juvenile and others or to improve the educational opportunities of the juvenile, and shall be released in accordance with the provisions of the Family Educational and Privacy Rights Act as set forth in 20 U.S.C. § 1232g. Nothing in this section or any other provision of law shall preclude any other necessary sharing of information among agencies. Nothing herein shall be deemed to require the disclosure or release of any information in the possession of a district attorney.

(b) Disclosure of information concerning any juvenile under investigation or alleged to be within the jurisdiction of the court that would reveal the identity of that juvenile is prohibited except that publication of pictures of runaways is permitted with the permission of the parents.

"§ 7B-3101. Notification of schools when juveniles are alleged or found to be delinquent.

(a) Notwithstanding G.S. 7B-3000, the juvenile court counselor shall deliver verbal and written notification of the following actions to the principal of the school that the juvenile attends:

(1) A petition is filed under G.S. 7B-1802 that alleges delinquency for an

offense that would be a felony if committed by an adult;

(2) The court transfers jurisdiction over a juvenile to superior court under G.S. 7B-2200;

(3) The court dismisses under G.S. 7B-2411 the petition that alleges delinquency for an offense that would be a felony if committed by an adult;

(4) The court issues a dispositional order under Article 25 of Chapter 7B of the General Statutes including, but not limited to, an order of probation that requires school attendance, concerning a juvenile alleged or found delinquent for an offense that would be a felony if committed by an adult; or

(5) The court modifies or vacates any order or disposition under G.S. 7B-2600 concerning a juvenile alleged or found delinquent for an offense that would be a felony if committed by an adult.

Notification of the school principal in person or by telephone shall be made before the beginning of the next school day. Delivery shall be made as soon as practicable but at least within five days of the action. Delivery shall be made in person or by certified mail. Notification that a petition has been filed shall describe the nature of the offense. Notification of a dispositional order, a modified or vacated order, or a transfer to superior court shall describe the court's action and any applicable disposition requirements. As used in this subsection, the term `offense' shall not include any offense under Chapter 20 of the General Statutes.

(b) If the principal of the school the juvenile attends returns any notification as required by G.S. 115C-404, and if the juvenile court counselor learns that the juvenile is transferring to another school, the juvenile court counselor shall deliver the notification to the principal of the school to which the juvenile is transferring. Delivery shall be made as soon as practicable and shall be made in person or by certified mail.

(c) Principals shall handle any notification delivered under this section in accordance with G.S. 115C-404.

(d) For the purpose of this section, `school' means any public or private school in the State that is authorized under Chapter 115C of the General Statutes.

"ARTICLE 32.

"Expunction of Juvenile Records.

"§ 7B-3200. Expunction of records of juveniles alleged or adjudicated delinquent and undisciplined.

(a) Any person who has attained the age of 18 years may file a petition in the court where the person was adjudicated undisciplined for expunction of all records of that adjudication.

(b) Any person who has attained the age of 18 years may file a petition in the court where the person was adjudicated delinquent for expunction of all records of that adjudication provided:

(1) The offense for which the person was adjudicated would have been a crime other than a Class A, B1, B2, C, D, or E felony if committed by an adult.

(2) At least 18 months have elapsed since the person was released from juvenile court jurisdiction, and the person has not subsequently been adjudicated delinquent or convicted as an adult of any felony or misdemeanor other than a traffic violation under the laws of the United States or the laws of this State or any other state.

Records relating to an adjudication for an offense that would be a Class A, B1, B2, C,

D, or E felony if committed by an adult shall not be expunged.

(c) The petition shall contain, but not be limited to, the following:

(1) An affidavit by the petitioner that the petitioner has been of good behavior since the adjudication and, in the case of a petition based on a delinquency adjudication, that the petitioner has not subsequently been adjudicated delinquent or convicted as an adult of any felony or misdemeanor other than a traffic violation under the laws of the United States, or the laws of this State or any other state;

(2) Verified affidavits of two persons, who are not related to the petitioner or to each other by blood or marriage, that they know the character and reputation of the petitioner in the community in which the petitioner lives and that the petitioner's character and reputation are good; and

(3) A statement that the petition is a motion in the cause in the case wherein the petitioner was adjudicated delinquent or undisciplined.

The petition shall be served upon the district attorney in the district wherein adjudication occurred. The district attorney shall have 10 days thereafter in which to file any objection thereto and shall be duly notified as to the date of the hearing on the petition.

(d) If the court, after hearing, finds that the petitioner satisfies the conditions set out in subsections (a) or (b) of this section, the court shall order and direct the clerk and all law enforcement agencies to expunge their records of the adjudication including all references to arrests, complaints, referrals, petitions, and orders.

(e) The clerk shall forward a certified copy of the order to the sheriff, chief of police, or other law enforcement agency.

(f) Records of a juvenile adjudicated delinquent or undisciplined being maintained by the chief court counselor, an intake counselor, or a court counselor shall be retained or disposed of as provided by the Office, except that no records shall be destroyed before the juvenile reaches the age of 18 or 18 months have elapsed since the person was released from juvenile court jurisdiction, whichever occurs last.

(g) Records of a juvenile adjudicated delinquent or undisciplined being maintained by personnel at a residential facility operated by the Office, shall be retained or disposed of as provided by the Office, except that no records shall be destroyed before the juvenile reaches the age of 18 or 18 months have elapsed since the person was released from juvenile court jurisdiction, whichever occurs last.

(h) Any person who was alleged to be delinquent as a juvenile and has attained the age of 16 years, or was alleged to be undisciplined as a juvenile and has attained the age of 18 years, may file a petition in the court in which the person was alleged to be delinquent or undisciplined, for expunction of all juvenile records of the juvenile having been alleged to be delinquent or undisciplined if the court dismissed the juvenile petition without an adjudication that the juvenile was delinquent or undisciplined. The petition shall be served on the chief court counselor in the district where the juvenile petition was filed. The chief court counselor shall have 10 days thereafter in which to file a written objection in the court. If no objection is filed, the court may grant the petition without a hearing. If an objection is filed or the court so directs, a hearing shall be scheduled and the chief court counselor shall be notified as to the date of the hearing. If the court finds at the hearing that the petitioner satisfies the conditions specified herein, the court shall order the clerk and the appropriate law enforcement agencies to expunge their records of the allegations of delinquent or undisciplined acts including all references to arrests, complaints, referrals, juvenile petitions, and orders. The clerk shall forward a certified copy of the order of expunction to the sheriff, chief of police, or other appropriate law

enforcement agency, and to the chief court counselor, and these specified officials shall immediately destroy all records relating to the allegations that the juvenile was delinquent or undisciplined.

(i) The clerk of superior court in each county in North Carolina shall, as soon as practicable after each term of court in the clerk's county, file with the Administrative Office of the Courts, the names of those persons granted an expunction under the provisions of this section, and the Administrative Office of the Courts shall maintain a confidential file containing the names of persons granted an expunction. The information contained in such file shall be disclosed only to judges of the General Court of Justice of North Carolina for the purpose of ascertaining whether any person charged with an offense has been previously granted an expunction.

"§ 7B-3201. Effect of expunction

(a) Whenever a juvenile's record is expunged, with respect to the matter in which the record was expunged, the juvenile who is the subject of the record and the juvenile's parent may not be held thereafter under any provision of any laws to be guilty of perjury or otherwise giving a false statement by reason of the person's failure to recite or acknowledge such record or response to any inquiry made of the person for any purpose.

(b) Notwithstanding subsection (a) of this section, in any delinquency case if the juvenile is the defendant and chooses to testify or if the juvenile is not the defendant and is called as a witness, the juvenile may be ordered to testify with respect to whether the juvenile was adjudicated delinquent.

"§ 7B-3202. Notice of expunction.

Upon expunction of a juvenile's record, the clerk shall send a written notice to the juvenile at the juvenile's last known address informing the juvenile that the record has been expunged and with respect to the matter involved, the juvenile may not be held thereafter under any provision of any laws to be guilty of perjury or otherwise giving a false statement by reason of the juvenile's failure to recite or acknowledge such record or response to any inquiry made of the juvenile for any purpose except that upon testifying in a delinquency proceeding, the juvenile may be required by a court to disclose that the juvenile was adjudicated delinquent.

"ARTICLE 33.

"Computation of Recidivism Rates.

"§ 7B-3300. Juvenile recidivism rates.

(a) On an annual basis, the Office of Juvenile Justice shall compute the recidivism rate of juveniles who are adjudicated delinquent for offenses that would be Class A, B1, B2, C, D, or E felonies if committed by adults and who subsequently are adjudicated delinquent or convicted and shall report the statistics to the Joint Legislative Commission on Governmental Operations by February 15 each year.

(b) The chief court counselor of each judicial district shall forward to the Office relevant information, as determined by the Office, regarding every juvenile who is adjudicated delinquent for an offense that would be a Class A, B1, B2, C, D, or E felony if committed by an adult for the purpose of computing the statistics required by this section.

"SUBCHAPTER IV. PARENTAL AUTHORITY; EMANCIPATION.

"ARTICLE 34.

"Parental Authority Over Juveniles.

"§ 7B-3400. Juvenile under 18 subject to parents' control.

Notwithstanding any other provision of law, any juvenile under 18 years of age, except as provided in G.S. 7B-3402 and G.S. 7B- 3403, shall be subject to the supervision and control of the juvenile's parents.

"§ 7B-3401. Definitions.

The definitions of G.S. 7B-101 and G.S. 7B-1501 apply to this Subchapter.

"§ 7B-3402. Exceptions.

This Article shall not apply to any juvenile under the age of 18 who is married or who is serving in the armed forces of the United States, or who has been emancipated.

"§ 7B-3403. No criminal liability created.

This Article shall not be interpreted to place any criminal liability on a parent, guardian, or custodian for any act of the juvenile 16 years of age or older.

"§ 7B-3404. Enforcement.

The provisions of this Article may be enforced by the parent, guardian, custodian, or person who has assumed the status and obligation of a parent without being awarded legal custody of the juvenile by a court to the juvenile by filing a civil action in the district court of the county where the juvenile can be found or the county of the plaintiff's residence. Upon the institution of such action by a verified complaint, alleging that the defendant juvenile has left home or has left the place where the juvenile has been residing and refuses to return and comply with the direction and control of the plaintiff, the court may issue an order directing the juvenile personally to appear before the court at a specified time to be heard in answer to the allegations of the plaintiff and to comply with further orders of the court. Such orders shall be served by the sheriff upon the juvenile and upon any other person named as a party defendant in such action. At the time of the issuance of the order directing the juvenile to appear, the court may in the same order, or by separate order, order the sheriff to enter any house, building, structure, or conveyance for the purpose of searching for the juvenile and serving the order and for the purpose of taking custody of the person of the juvenile in order to bring the juvenile before the court. Any order issued at said hearing shall be treated as a mandatory injunction and shall remain in full force and effect until the juvenile reaches the age of 18, or until further orders of the court. Within 30 days after the hearing on the original order, the juvenile, or anyone acting in the juvenile's behalf, may file a verified answer to the complaint. Upon the filing of an answer by or on behalf of the juvenile, any district court judge holding court in the county or district court district as defined in G.S. 7A-133 where the action was instituted shall have jurisdiction to hear the matter, without a jury, and to make findings of fact, conclusions of law, and render judgment thereon. Appeals from the district court to the Court of Appeals shall be allowed as in civil actions generally. The district court issuing the original order or the district court hearing the matter after answer has been filed shall also have authority to order that any person named defendant in the order or judgment shall not harbor, keep, or allow the defendant juvenile to remain on the person's premises or in the person's home. Failure of any defendant to comply with the terms of said order or judgment shall be punishable as for contempt.

"ARTICLE 35.

"Emancipation.

"§ 7B-3500. Who may petition.

Any juvenile who is 16 years of age or older and who has resided in the same county in North Carolina or on federal territory within the boundaries of North Carolina for six months next preceding the filing of the petition may petition the court in that county for a judicial decree of emancipation.

"§ 7B-3501. Petition.

The petition shall be signed and verified by the petitioner and shall contain the following information:

(1) The full name of the petitioner and the petitioner's birth date, and state and county of birth;

(2) A certified copy of the petitioner's birth certificate;
(3) The name and last known address of the parent, guardian, or custodian;
(4) The petitioner's address and length of residence at that address;
(5) The petitioner's reasons for requesting emancipation; and
(6) The petitioner's plan for meeting the petitioner's needs and living expenses which plan may include a statement of employment and wages earned that is verified by the petitioner's employer.

"§ 7B-3502. Summons.

A copy of the filed petition along with a summons shall be served upon the petitioner's parent, guardian, or custodian who shall be named as respondents. The summons shall include the time and place of the hearing and shall notify the respondents to file written answer within 30 days after service of the summons and petition. In the event that personal service cannot be obtained, service shall be in accordance with G.S. 1A-1, Rule 4(j).

"§ 7B-3503. Hearing.

The court, sitting without a jury, shall permit all parties to present evidence and to cross-examine witnesses. The petitioner has the burden of showing by a preponderance of the evidence that emancipation is in the petitioner's best interests. Upon finding that reasonable cause exists, the court may order the juvenile to be examined by a psychiatrist, a licensed clinical psychologist, a physician, or any other expert to evaluate the juvenile's mental or physical condition. The court may continue the hearing and order investigation by a court counselor or by the county department of social services to substantiate allegations of the petitioner or respondents.

No husband-wife or physician-patient privilege shall be grounds for excluding any evidence in the hearing.

"§ 7B-3504. Considerations for emancipation.

In determining the best interests of the petitioner and the need for emancipation, the court shall review the following considerations:

(1) The parental need for the earnings of the petitioner;
(2) The petitioner's ability to function as an adult;
(3) The petitioner's need to contract as an adult or to marry;
(4) The employment status of the petitioner and the stability of the petitioner's living arrangements;
(5) The extent of family discord which may threaten reconciliation of the petitioner with the petitioner's family;
(6) The petitioner's rejection of parental supervision or support; and
(7) The quality of parental supervision or support.

"§ 7B-3505. Final decree of emancipation.

After reviewing the considerations for emancipation, the court may enter a decree of emancipation if the court determines:

(1) That all parties are properly before the court or were duly served and failed to appear and that time for filing an answer has expired;
(2) That the petitioner has shown a proper and lawful plan for adequately providing for the petitioner's needs and living expenses;
(3) That the petitioner is knowingly seeking emancipation and fully understands the ramifications of the act; and
(4) That emancipation is in the best interests of the petitioner.

The decree shall set out the court's findings.

If the court determines that the criteria in subdivisions (1) through (4) are not met, the court shall order the proceeding dismissed.

"§ 7B-3506. Costs of court.

The court may tax the costs of the proceeding to any party or may, for good cause, order the costs remitted.

The clerk may collect costs for furnishing to the petitioner a certificate of emancipation which shall recite the name of the petitioner and the fact of the petitioner's emancipation by court decree and shall have the seal of the clerk affixed thereon.

"§ 7B-3507. Legal effect of final decree.

As of entry of the final decree of emancipation:

(1) The petitioner has the same right to make contracts and conveyances, to sue and to be sued, and to transact business as if the petitioner were an adult.

(2) The parent, guardian, or custodian is relieved of all legal duties and obligations owed to the petitioner and is divested of all rights with respect to the petitioner.

(3) The decree is irrevocable.

Notwithstanding any other provision of this section, a decree of emancipation shall not alter the application of G.S. 14-326.1 or the petitioner's right to inherit property by intestate succession.

"§ 7B-3508. Appeals.

Any petitioner, parent, guardian, or custodian who is a party to a proceeding under this Article may appeal from any order of disposition to the Court of Appeals provided that notice of appeal is given in open court at the time of the hearing or in writing within 10 days after the hearing. Pending disposition of an appeal, the court may enter a temporary order affecting the custody or placement of the petitioner as the court finds to be in the best interests of the petitioner or the State.

"§ 7B-3509. Application of common law.

A married juvenile is emancipated by this Article. All other common-law provisions for emancipation are superseded by this Article.

"ARTICLE 36.

"Judicial Consent for Emergency Surgical or Medical Treatment.

"§ 7B-3600. Judicial authorization of emergency treatment; procedure.

A juvenile in need of emergency treatment under Article 1A of Chapter 90 of the General Statutes, whose physician is barred from rendering necessary treatment by reason of parental refusal to consent to treatment, may receive treatment with court authorization under the following procedure:

(1) The physician shall sign a written statement setting out:

a. The treatment to be rendered and the emergency need for treatment;

b. The refusal of the parent, guardian, custodian, or person who has assumed the status and obligation of a parent without being awarded legal custody of the juvenile by a court to consent to the treatment; and

c. The impossibility of contacting a second physician for a concurring opinion on the need for treatment in time to prevent immediate harm to the juvenile.

(2) Upon examining the physician's written statement prescribed in subdivision (1) of this section and finding:

a. That the statement is in accordance with this Article, and

b. That the proposed treatment is necessary to prevent immediate harm to the juvenile.

The court may issue a written authorization for the proposed treatment to

be rendered.

(3) In acute emergencies in which time may not permit implementation of the written procedure set out in subdivisions (1) and (2) of this section, the court may authorize treatment in person or by telephone upon receiving the oral statement of a physician satisfying the requirements of subdivision (1) of this section and upon finding that the proposed treatment is necessary to prevent immediate harm to the juvenile.

(4) The court's authorization for treatment overriding parental refusal to consent should not be given without attempting to offer the parent an opportunity to state the reasons for refusal; however, failure of the court to hear the parent's objections shall not invalidate judicial authorization under this Article.

(5) The court's authorization for treatment under subdivisions (1) and (2) of this section shall be issued in duplicate. One copy shall be given to the treating physician and the other copy shall be attached to the physician's written statement and filed as a juvenile proceeding in the office of the clerk of court.

(6) The court's authorization for treatment under subdivision (3) of this section shall be reduced to writing as soon as possible, supported by the physician's written statement as prescribed in subdivision (1) of this section and shall be filed as prescribed in subdivision (5) of this section.

The court's authorization for treatment under this Article shall have the same effect as parental consent for treatment.

Following the court's authorization for treatment and after giving notice to the juvenile's parent, guardian, or custodian the court shall conduct a hearing in order to provide for payment for the treatment rendered. The court may order the parent or other responsible parties to pay the cost of treatment. If the court finds the parent is unable to pay the cost of treatment, the cost shall be a charge upon the county when so ordered.

This Article shall operate as a remedy in addition to the provisions in G.S. 7B-903, 7B-2503, and 7B-2506.

"SUBCHAPTER V. PLACEMENT OF JUVENILES.

"ARTICLE 37.

"Placing or Adoption of Juvenile Delinquents or Dependents.

"§ 7B-3700. Consent required for bringing child into State for placement or adoption.

(a) No person, agency, association, institution, or corporation shall bring or send into the State any child for the purpose of giving custody of the child to some person in the State or procuring adoption by some person in the State without first obtaining the written consent of the Department of Health and Human Services.

(b) The person with whom a child is placed for either of the purposes set out in subsection (a) of this section shall be responsible for the child's proper care and training. The Department of Health and Human Services or its agents shall have the same right of visitation and supervision of the child and the home in which it is placed as in the case of a child placed by the Department or its agents as long as the child shall remain within the State and until the child shall have reached the age of 18 years or shall have been legally adopted.

"§ 7B-3701. Bond required.

The Social Services Commission may, in its discretion, require of a person, agency, association, institution, or corporation which brings or sends a child into the State with the written consent of the Department of Health and Human Services, as provided by G.S.

7B-3700, a continuing bond in a penal sum not in excess of one thousand dollars ($1,000) with such conditions as may be prescribed and such sureties as may be approved by the Department of Health and Human Services. Said bond shall be made in favor of and filed with the Department of Health and Human Services with the premium prepaid by the said person, agency, association, institution, or corporation desiring to place such child in the State.

"§ 7B-3702. Consent required for removing child from State.

No child shall be taken or sent out of the State for the purpose of placing the child in a foster home or in a child- caring institution without first obtaining the written consent of the Department of Health and Human Services. The foster home or child-caring institution in which the child is placed shall report to the Department of Health and Human Services at such times as the Department of Health and Human Services may direct as to the location and well-being of such child until the child shall have reached the age of 18 years or shall have been legally adopted.

"§ 7B-3703. Violation of Article a misdemeanor.

Every person acting for himself or for an agency who violates any of the provisions of this Article or who shall intentionally make any false statements to the Social Services Commission or the Secretary or an employee thereof acting for the Department of Health and Human Services in an official capacity in the placing or adoption of juvenile delinquents or dependents shall, upon conviction thereof, be guilty of a Class 2 misdemeanor.

"§ 7B-3704. Definitions.

The term `Department' wherever used in this Article shall be construed to mean the Department of Health and Human Services. The term `Secretary' wherever used in this Article shall be construed to mean the Secretary of the Department of Health and Human Services.

"§ 7B-3705. Application of Article.

None of the provisions of this Article shall apply when a child is brought into or sent into, or taken out of, or sent out of the State, by the guardian of the person of such child, or by a parent, stepparent, grandparent, uncle or aunt of such child, or by a brother, sister, half brother, or half sister of such child, if such brother, sister, half brother, or half sister is 18 years of age or older.

"ARTICLE 38.

"Interstate Compact on the Placement of Children.

"§ 7B-3800. Adoption of Compact.

The Interstate Compact on the Placement of Children is hereby enacted into law and entered into with all other jurisdictions legally joining therein in a form substantially as contained in this Article. It is the intent of the General Assembly that Article 4 of this Chapter shall govern interstate placements of children between North Carolina and any other jurisdictions not a party to this Compact. It is the intent of the General Assembly that Chapter 48 of the General Statutes shall govern the adoption of children within the boundaries of North Carolina.

Article I. Purpose and Policy.

It is the purpose and policy of the party states to cooperate with each other in the interstate placement of children to the end that:

(a) Each child requiring placement shall receive the maximum opportunity to be placed in a suitable environment and with persons or institutions having appropriate qualifications and facilities to provide a necessary and desirable degree and type of care.

(b) The appropriate authorities in a state where a child is to be placed may have full opportunity to ascertain the circumstances of the proposed placement, thereby promoting

full compliance with applicable requirements for the protection of the child.

(c) The proper authorities of the state from which the placement is made may obtain the most complete information on the basis of which to evaluate a projected placement before it is made.

(d) Appropriate jurisdictional arrangements for the care of children will be promoted.

Article II. Definitions.

As used in this Compact:

(a) `Child' means a person who, by reason of minority, is legally subject to parental, guardianship or similar control.

(b) `Sending agency' means a party state officer or employee thereof; a subdivision of a party state, or officer or employee thereof; a court of a party state; a person, corporation, association, charitable agency or other entity which sends, brings, or causes to be sent or brought any child to another party state.

(c) `Receiving state' means the state to which a child is sent, brought, or caused to be sent or brought, whether by public authorities or private persons or agencies, and whether for placement with state or local public authorities of [or] for placement with private agencies or persons.

(d) `Placement' means the arrangement for the care of a child in a family free or boarding home or in a child-caring agency or institution but does not include any institution caring for the mentally ill, mentally defective, or epileptic or any institution primarily educational in character, and any hospital or other medical facility.

(e) `Appropriate public authorities' as used in Article III shall, with reference to this State, mean the Department of Health and Human Services and said agency shall receive and act with reference to notices required by Article III.

(f) `Appropriate authority in the receiving state' as used in paragraph (a) of Article V shall, with reference to this State, means the Secretary.

(g) `Executive head' as used in Article VII means the Governor.

Article III. Conditions for Placement.

(a) No sending agency shall send, bring, or cause to be sent or brought into any other party state any child for placement in foster care or as a preliminary to a possible adoption unless the sending agency shall comply with each and every requirement set forth in this Article and with the applicable laws of the receiving state governing the placement of children therein.

(b) Prior to sending, bringing, or causing any child to be sent or brought into a receiving state for placement in foster care or as a preliminary to a possible adoption, the sending agency shall furnish the appropriate public authorities in the receiving state written notice of the intention to send, bring, or place the child in the receiving state. The notice shall contain:

(1) The name, date, and place of birth of the child.

(2) The identity and address or addresses of the parents or legal guardian.

(3) The name and address of the person, agency or institution to or with which the sending agency proposes to send, bring, or place the child.

(4) A full statement of the reasons for such proposed action and evidence of the authority pursuant to which the placement is proposed to be made.

(c) Any public officer or agency in a receiving state which is in receipt of a notice pursuant to paragraph (b) of this Article may request of the sending agency, or any other appropriate officer or agency of or in the sending agency's state, and shall be entitled to receive therefrom, such supporting or additional information as it may deem necessary under the circumstances to carry out the purpose and policy of this Compact.

(d) The child shall not be sent, brought, or caused to be sent or brought into the

receiving state until the appropriate public authorities in the receiving state shall notify the sending agency, in writing, to the effect that the proposed placement does not appear to be contrary to the interests of the child.

Article IV. Penalty for Illegal Placement.

The sending, bringing, or causing to be sent or brought into any receiving state of a child in violation of the terms of this Compact shall constitute a violation of the laws respecting the placement of children of both the state in which the sending agency is located or from which it sends or brings the child and of the receiving state. Such violation may be punished or subjected to penalty in either jurisdiction in accordance with its laws. In addition to liability for any such punishment or penalty, any such violation shall constitute full and sufficient grounds for the suspension or revocation of any license, permit, or other legal authorization held by the sending agency which empowers or allows it to place, or care for children.

Article V. Retention of Jurisdiction.

(a) The sending agency shall retain jurisdiction over the child sufficient to determine all matters in relation to the custody, supervision, care, treatment, and disposition of the child which it would have had if the child had remained in the sending agency's state, until the child is adopted, reaches majority, becomes self-supporting or is discharged with the concurrence of the appropriate authority in the receiving state. Such jurisdiction shall also include the power to effect or cause the return of the child or its transfer to another location and custody pursuant to law. The sending agency shall continue to have financia! responsibility for support and maintenance of the child during the period of the placement. Nothing contained herein shall defeat a claim of jurisdiction by a receiving state sufficient to deal with an act of delinquency or crime committed therein.

(b) When the sending agency is a public agency, it may enter into an agreement with an authorized public or private agency in the receiving state providing for the performance of one or more services in respect of such case by the latter as agent for the sending agency.

(c) Nothing in this Compact shall be construed to prevent a private charitable agency authorized to place children in the receiving state from performing services or acting as agent in that state for a private charitable agency of the sending state; nor to prevent the agency in the receiving state from discharging financial responsibility for the support and maintenance of a child who has been placed on behalf of the sending agency without relieving the responsibility set forth in paragraph (a) hereof.

Article VI. Institutional Care of Delinquent Children.

A child adjudicated delinquent may be placed in an institution in another party jurisdiction pursuant to this Compact, but no such placement shall be made unless the child is given a court hearing on notice to the parent or guardian with opportunity to be heard, prior to the child's being sent to such other party jurisdiction for institutional care and the court finds that:

(1) Equivalent facilities for the child are not available in the sending agency's jurisdiction; and

(2) Institutional care in the other jurisdiction is in the best interests of the child and will not produce undue hardship.

Article VII. Compact Administrator.

The executive head of each jurisdiction party to this Compact shall designate an officer who shall be general coordinator of activities under this Compact in the officer's jurisdiction and who, acting jointly with like officers of other party jurisdictions, shall have power to promulgate rules and regulations to carry out more effectively the terms and provisions of this Compact.

Article VIII. Limitations.

This Compact shall not apply to: (a) the sending or bringing of a child into a receiving state by the child's parent, stepparent, grandparent, adult brother or sister, adult uncle or aunt, or the child's guardian and leaving the child with any such relative or nonagency guardian in the receiving state. (b) Any placement, sending or bringing of a child into a receiving state pursuant to any other interstate compact to which both the state from which the child is sent or brought and the receiving state are party, or to any other agreement between said states which has the force of law.

Article IX. Enactment and Withdrawal.

This Compact shall be open to joinder by any state, territory or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and, with the consent of Congress, the government of Canada or any province thereof. It shall become effective with respect to any such jurisdiction when such jurisdiction has enacted the same into law. Withdrawal from this Compact shall be by the enactment of a statute repealing the same, but shall not take effect until two years after the effective date of such statute and until written notice of the withdrawal has been given by the withdrawing state to the governor of each other party jurisdiction. Withdrawal of a party state shall not affect the rights, duties, and obligations under this Compact of any sending agency therein with respect to a placement made prior to the effective date of withdrawal.

Article X. Construction and Severability.

The provisions of this Compact shall be liberally construed to effectuate the purposes thereof. The provisions of this Compact shall be severable and if any phrase, clause, sentence, or provision of this Compact is declared to be contrary to the constitution of any party state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this Compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this Compact shall be held contrary to the constitution of any state party thereto, the Compact shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters.

"§ 7B-3801. Financial responsibility under Compact.

Financial responsibility for any child placed pursuant to the provisions of the Interstate Compact on the Placement of Children shall be determined in accordance with the provisions of Article V thereof in the first instance. However, in the event of partial or complete default of performance thereunder, the provisions of any other state laws fixing responsibility for the support of children also may be invoked.

"§ 7B-3802. Agreements under Compact.

The officers and agencies of this State and its subdivisions having authority to place children are hereby empowered to enter into agreements with appropriate officers or agencies of or in other party states pursuant to paragraph (b) of Article V of the Interstate Compact on the Placement of Children. Any such agreement which contains a financial commitment or imposes a financial obligation on this State or subdivision or agency thereof shall not be binding unless it has the approval in writing of the Secretary of the Department of Health and Human Services in the case of the State and of the county director of social services in the case of a county or other subdivision of the State.

"§ 7B-3803. Visitation, inspection or supervision.

Any requirements for visitation, inspection or supervision of children, homes, institutions or other agencies in another party state which may apply under the laws of this State shall be deemed to be met if performed pursuant to an agreement entered into by appropriate officers or agencies of this State or a subdivision thereof as contemplated by paragraph (b) of Article V of the Interstate Compact on the Placement of Children.

"§ 7B-3804. Compact to govern between party states.

The provisions of Article 37 of this Chapter shall not apply to placements made pursuant to the Interstate Compact on the Placement of Children.

"§ 7B-3805. Placement of delinquents.

Any court having jurisdiction to place delinquent children may place such a child in an institution or in another state pursuant to Article VI of the Interstate Compact on the Placement of Children and shall retain jurisdiction as provided in Article V thereof.

"§ 7B-3806. Compact Administrator.

The Governor is hereby authorized to appoint a Compact Administrator in accordance with the terms of said Article VII."

PART IV. EMPLOYMENT DISCRIMINATION

Section 7. G.S. 95-241(a) reads as rewritten:

"(a) No person shall discriminate or take any retaliatory action against an employee because the employee in good faith does or threatens ~~to do any of the following:~~ to:

(1) File a claim or complaint, initiate any inquiry, investigation, inspection, proceeding or other action, or testify or provide information to any person with respect to any of the following:
   a. Chapter 97 of the General Statutes.
   b. Article 2A or Article 16 of this Chapter.
   c. Article 2A of Chapter 74 of the General Statutes.
   d. G.S. 95-28.1.
   e. Article 16 of Chapter 127A of the General Statutes.
   f. G.S. 95-28.1A.

(2) Cause any of the activities listed in subdivision (1) of this subsection to be initiated on an employee's behalf.

(3) Exercise any right on behalf of the employee or any other employee afforded by Article 2A or Article 16 of this Chapter or by Article 2A of Chapter 74 of the General Statutes.

(4) Comply with the provisions of Article 27 of Chapter 7B of the General Statutes."

PART V. EDUCATIONAL USE OF JUVENILE COURT INFORMATION

Section 8. G.S. 115C-404 reads as rewritten:

"§ 115C-404. Use of juvenile court information.

(a) Written notifications received in accordance with ~~G.S. 7A-675.1~~ G.S. 7B-3101 and information gained from examination of juvenile records in accordance with G.S. 7B-3100 are confidential records, are not public records as defined under G.S.132-1, and shall not be made part of the student's official record under G.S. 115C-402. Immediately upon receipt, the principal shall maintain these documents in a safe, locked record storage that is separate from the student's other school records. ~~The principal shall maintain these documents until the principal receives notification that the judge dismissed the petition under G.S. 7A-637, the judge transferred jurisdiction over the student to superior court under G.S. 7A-608, or the judge granted the student's petition for expunction of the records. At that time, the~~ The principal shall shred, burn, or otherwise destroy ~~the~~ documents received in accordance with G.S. 7B-3100 to protect the confidentiality of ~~this information.~~ the information when the principal receives notification that the court dismissed the petition under G.S. 7B-2411, the court transferred jurisdiction over the student to superior court under G.S. 7B-2200, or the court granted the student's petition for expunction of the records. The principal shall shred, burn, or otherwise destroy all information gained from examination of juvenile records in accordance with G.S. 7B-3100 when the principal finds that the school no longer needs the information to protect

the safety of or to improve the educational opportunities for the student or others. In no case shall the principal make a copy of these documents.

(b) Documents received under this section ~~may~~ shall be used only to protect the safety of or to improve the education opportunities for the student or others. Information gained in accordance with G.S. 7B-3100 shall not be the sole basis for a decision to suspend or expel a student. Upon receipt of each document, the principal shall share the document with those individuals who have (i) direct guidance, teaching, or supervisory responsibility for the student, and (ii) a specific need to know in order to protect the safety of the student or others. Those individuals shall indicate in writing that they have read the document and that they agree to maintain its confidentiality. Failure to maintain the confidentiality of these documents as required by this section is grounds for the dismissal of an employee who is not a career employee and is grounds for dismissal of an employee who is a career employee, in accordance with G.S. 115C-325(e)(1)i.

(c) If the student graduates, withdraws from school, is suspended for the remainder of the school year, is expelled, or transfers to another school, the principal shall return ~~the~~ all documents not destroyed in accordance with subsection (a) of this section to the juvenile court counselor and, if applicable, shall provide the counselor with the name and address of the school to which the student is transferring."

PART VI. CRIMINAL JUSTICE INFORMATION NETWORK CONFORMING CHANGES

Section 9. G.S. 143-661(a) reads as rewritten:

"(a) The Criminal Justice Information Network Governing Board is established within the Department of Justice, State Bureau of Investigation, to operate the State's Criminal Justice Information Network, the purpose of which shall be to provide the governmental and technical information systems infrastructure necessary for accomplishing State and local governmental public safety and justice functions in the most effective manner by appropriately and efficiently sharing criminal justice and juvenile justice information among law enforcement, judicial, and corrections agencies. The Board is established within the Department of Justice, State Bureau of Investigation, for organizational and budgetary purposes only and the Board shall exercise all of its statutory powers in this Article independent of control by the Department of Justice."

PART VII. SENTENCING COMMISSION DIRECTIVES

Section 10. (a) G.S. 164-36 reads as rewritten:

"§ 164-36. Powers and duties.

(a) Sentences established for violations of the State's criminal laws should be based on the established purposes of our criminal justice and corrections systems. The Commission shall evaluate sentencing laws and policies in relationship to both the stated purposes of the criminal justice and corrections systems and the availability of sentencing options. The Commission shall make recommendations to the General Assembly for the modification of sentencing laws and policies, and for the addition, deletion, or expansion of sentencing options as necessary to achieve policy goals. The Commission shall make a report of its recommendations, including any recommended legislation, to the General Assembly annually.

(b) Dispositions established for violations by juveniles of the State's criminal laws should be based on the established purposes set forth in Chapter 7B of the General Statutes. The Commission shall evaluate dispositional laws and policies in relationship to both the stated purposes of Chapter 7B of the General Statutes and the availability of dispositional alternatives. The Commission shall make recommendations to the General Assembly for the modification of dispositional laws and policies, and for the addition, deletion, or expansion of dispositional alternatives as necessary to achieve policy goals.

The Commission shall make a report of its recommendations, including any recommended legislation, to the General Assembly annually."

(b) G.S. 164-40 reads as rewritten:

"§ 164-40. Correction population simulation ~~model.~~ model; Office of Juvenile Justice facilities population simulation model.

(a) The Commission shall develop a correctional population simulation model, and shall have first priority to apply the model to a given fact situation, or theoretical change in the sentencing laws, when requested to do so by the Chairman, the Executive Director, or the Commission as a whole.

The Executive Director or the Chairman shall make the model available to respond to inquiries by any State legislator, or by the Secretary of the Department of Correction, in second priority to the work of the Commission.

(b) The Commission shall develop an Office of Juvenile Justice facilities population simulation model, and shall have first priority to apply the model to a given fact situation, or theoretical change in the dispositional laws set forth in Chapter 7B of the General Statutes, when requested to do so by the Chairman, the Executive Director, or the Commission as a whole.

The Executive Director or the Chairman shall make the model available to respond to inquiries by any State legislator, or by the Office of Juvenile Justice, in second priority to the work of the Commission."

(c) G.S. 164-42.1 reads as rewritten:

"§ 164-42.1. Policy recommendations.

(a) Using the studies of the Special Committee on Prisons, the Governor's Crime Commission, and other analyses, including testimony from representatives of the bodies that conducted the analyses, the Commission shall:

(1) Determine the long-range needs of the criminal justice and corrections systems and recommend policy priorities for those systems;

(2) Determine the long-range information needs of the criminal justice and corrections systems and acquire that information as it becomes available;

(3) Identify critical problems in the criminal justice and corrections systems and recommend strategies to solve those problems;

(4) Assess the cost-effectiveness of the use of State and local funds in the criminal justice and corrections systems;

(5) Recommend the goals, priorities, and standards for the allocation of criminal justice and corrections funds;

(6) Recommend means to improve the deterrent and rehabilitative capabilities of the criminal justice and corrections systems;

(7) Propose plans, programs, and legislation for improving the effectiveness of the criminal justice and corrections systems;

(8) Determine the sentencing structures for parole decisions;

(9) Examine the impact of mandatory sentence lengths as opposed to the deterrent effect of minimum mandatory terms of imprisonment;

(10) Examine good time and gain time practices;

(11) Study the value of presentence reports;

(12) Consider the rehabilitative potential of the offender and the appropriate rehabilitative placement;

(13) Examine the impact of imprisonment on families of offenders;

(14) Examine the impact of imprisonment on the ability of the offender to make restitution; ~~and~~

(15) Study the need for an amendment to Article XI, Section 1 of the State

Constitution to include restitution, restraints on liberty, work programs, or other punishments to the list of punishments allowed under that section; and

(16) Study the costs and consequences of criminal behavior in North Carolina and consider the value of preventing crimes by using incarceration to deter both prospective criminals and convicted criminals from future crimes.

(b) Using the studies and analyses available, including testimony from representatives of the bodies that conducted the analyses, the Commission shall:

(1) Determine the long-range needs of the juvenile justice system and recommend policy priorities for that system;

(2) Determine the long-range information needs of the juvenile justice system and acquire that information as it becomes available;

(3) Identify critical problems in the juvenile justice system and recommend strategies to solve those problems;

(4) Assess the cost-effectiveness of the use of State and local funds in the juvenile justice system; and

(5) Recommend the goals, priorities, and standards for the allocation of juvenile justice funds."

(d) G.S. 164-43 reads as rewritten:

"§ 164-43. Priority of duties; reports; continuing duties.

(a) The Commission shall have two primary duties, and other secondary duties essential to accomplishing the primary ones. The Commission may establish subcommittees or advisory committees composed of Commission members to accomplish duties imposed by this Article.

It is the legislative intent that the Commission attach priority to accomplish the following primary duties:

(1) The classification of criminal offenses as described in G.S. 164-41 and the formulation of sentencing structures as described in G.S. 164-42; and

(2) The formulation of proposals and recommendations as described in G.S. 164-42.1 and G.S. 164-42.2.

(b) The Commission shall report its findings and recommendations to the 1991 General Assembly, 1991 Regular Session. The report shall describe the status of the Commission's work, and shall include any completed policy recommendations.

(c) The Commission shall report on its progress in formulating recommendations for the classification and ranges of punishment for felonies and misdemeanors, required by G.S. 164-41, and sentencing structures, established pursuant to G.S. 164-42, to the 1991 General Assembly, 1992 Regular Session, and shall make a final report on these recommendations no later than 30 days after the convening of the 1993 Session of the General Assembly.

(d) Once the primary duties of the Commission have been accomplished, it shall have the continuing duty to monitor and review the criminal justice and corrections systems and the juvenile justice system in this State to ensure that ~~sentencing remains~~ sentences and dispositions remain uniform and consistent, and that the goals and policies established by the State are being implemented by sentencing and dispositional practices, and it shall recommend methods by which this ongoing work may be accomplished and by which the correctional population simulation model and the Office of Juvenile Justice facilities population simulation model developed pursuant to G.S. 164-40 shall continue to be used by the State.

(e) Upon adoption of a system for the classification of offenses formulated pursuant

to G.S. 164-41, the Commission or its successor shall review all proposed legislation which creates a new criminal offense, changes the classification of an offense, or changes the range of punishment or dispositional level for a particular classification, and shall make recommendations to the General Assembly.

(f) In the case of a new criminal offense, the Commission or its successor shall determine whether the proposal places the offense in the correct classification, based upon the considerations and principles set out in G.S. 164-41. If the proposal does not assign the offense to a classification, it shall be the duty of the Commission or its successor to recommend the proper classification placement.

(g) In the case of proposed changes in the classification of an offense or changes in the range of punishment or dispositional level for a classification, the Commission or its successor shall determine whether such a proposed change is consistent with the considerations and principles set out in G.S. 164-41, and shall report its findings to the General Assembly.

(h) The Commission or its successor shall meet within 10 days after the last day for filing general bills in the General Assembly for the purpose of reviewing bills as described in subsections (e), (f), and (g). The Commission or its successor shall include in its report on a bill an analysis based on an application of the correctional population simulation model or the Office of Juvenile Justice facilities population simulation model to the provisions of the bill."

(e) G.S. 164-44 reads as rewritten:

"§ 164-44. Statistical information; financial or other aid.

(a) The Commission shall have the secondary duty of collecting, developing, and maintaining statistical data relating to ~~sentencing and corrections~~ sentencing, corrections, and juvenile justice so that the primary duties of the Commission will be formulated using data that is valid, accurate, and relevant to this State. All State agencies shall provide data as it is requested by the Commission. All meetings of the Commission shall be open to the public and the information presented to the Commission shall be available to any State agency or member of the General Assembly.

(b) The Commission shall have the authority to apply for, accept, and use any gifts, grants, or financial or other aid, in any form, from the federal government or any agency or instrumentality thereof, or from the State or from any other source including private associations, foundations, or corporations to accomplish any of the duties set out in this Chapter."

(f) G.S. 164-37 reads as rewritten:

"§ 164-37. Membership; chairman; meetings; quorum.

The Commission shall consist of ~~29~~ 30 members as follows:

(1) The Chief Justice of the North Carolina Supreme Court shall appoint a sitting or former Justice or judge of the General Court of Justice, who shall serve as Chairman of the Commission;

(2) The Chief Judge of the North Carolina Court of Appeals, or another judge on the Court of Appeals, serving as his designee;

(3) The Secretary of Correction or his designee;

(4) The Secretary of Crime Control and Public Safety or his designee;

(5) The Chairman of the Parole Commission, or his designee;

(6) The President of the Conference of Superior Court Judges or his designee;

(7) The President of the District Court Judges Association or his designee;

(8) The President of the North Carolina Sheriff's Association or his designee;

(9) The President of the North Carolina Association of Chiefs of Police or his designee;

(10) One member of the public at large, who is not currently licensed to practice law in North Carolina, to be appointed by the Governor;

(11) One member to be appointed by the Lieutenant Governor;

(12) Three members of the House of Representatives, to be appointed by the Speaker of the House;

(13) Three members of the Senate, to be appointed by the President Pro Tempore of the Senate;

(14) The President Pro Tempore of the Senate shall appoint the representative of the North Carolina Community Sentencing Association that is recommended by the President of that organization;

(15) The Speaker of the House of Representatives shall appoint the member of the business community that is recommended by the President of the North Carolina Retail Merchants Association;

(16) The Chief Justice of the North Carolina Supreme Court shall appoint the criminal defense attorney that is recommended by the President of the North Carolina Academy of Trial Lawyers;

(17) The President of the Conference of District Attorneys or his designee;

(18) The Lieutenant Governor shall appoint the member of the North Carolina Victim Assistance Network that is recommended by the President of that organization;

(19) A rehabilitated former prison inmate, to be appointed by the Chairman of the Commission;

(20) The President of the North Carolina Association of County Commissioners or his designee;

(21) The Governor shall appoint the member of the academic community, with a background in criminal justice or corrections policy, that is recommended by the President of The University of North Carolina;

(22) The Attorney General, or a member of his staff, to be appointed by the Attorney General;

(23) The Governor shall appoint the member of the North Carolina Bar Association that is recommended by the President of that organization.

(24) A member of the Justice Fellowship Task Force, who is a resident of North Carolina, to be appointed by the Chairman of the Commission.

(25) The President of the Association of Clerks of Superior Court of North Carolina, or his designee.

(26) A representative of the Office of Juvenile Justice.

The Commission shall have its initial meeting no later than September 1, 1990, at the call of the Chairman. The Commission shall meet a minimum of four regular meetings each year. The Commission may also hold special meetings at the call of the Chairman, or by any four members of the Commission, upon such notice and in such manner as may be fixed by the rules of the Commission. A majority of the members of the Commission shall constitute a quorum."

PART VIII. REGISTRATION OF CERTAIN JUVENILES

Section 11. Effective October 1, 1999, Article 25 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"**§ 7B-2508.1. Registration of certain delinquent juveniles.**

In any case in which a juvenile, who was at least 11 years of age at the time of the offense, is adjudicated delinquent for committing a violation of G.S. 14-27.2 (first-degree

rape), G.S. 14-27.3 (second degree rape), G.S. 14-27.4 (first-degree sexual offense), G.S. 14-27.5 (second degree sexual offense), or G.S. 14-27.6 (attempted rape or sexual offense), the judge, upon a finding that the juvenile is a danger to the community, may order that the juvenile register in accordance with Part 4 of Article 27A of Chapter 14 of the General Statutes."

PART IX. ALTERNATIVE LEARNING PROGRAMS ENCOURAGED

Section 12. G.S. 115C-47 is amended by adding the following new subdivision to read:

"(32a) To Develop Guidelines for Alternative Learning Programs. -- Local boards of education are encouraged to establish alternative learning programs. If these programs are established, local boards of education shall adopt guidelines for assigning students to them. These guidelines shall include (i) a description of the programs and services to be provided, (ii) a process for ensuring that an assignment is appropriate for the student and that the student's parents are involved in the decision, and (iii) strategies for providing alternative learning programs, when feasible and appropriate, for students who are subject to long-term suspension or expulsion. In developing these guidelines, local boards are encouraged to consider the State Board's guidelines developed under G.S. 115C-12(24). Upon adoption of guidelines under this subdivision, local boards are encouraged to incorporate them in their safe school plans developed under G.S. 115C-105.47."

PART X. CONFORMING STATUTORY CHANGES

Section 13. (a) G.S. 7A-451(a)(14) reads as rewritten:

"(14) A proceeding to terminate parental rights where a guardian ad litem is appointed pursuant to ~~G.S. 7A-289.23;~~ G.S. 7B-1101;".

(b) G.S. 8-53.1 reads as rewritten:

"§ 8-53.1. Physician-patient privilege waived in child abuse.

Notwithstanding the provisions of G.S. 8-53, the physician-patient privilege shall not be ground for excluding evidence regarding the abuse or neglect of a child under the age of 16 years or regarding an illness of or injuries to such child or the cause thereof in any judicial proceeding related to a report pursuant to the North Carolina Juvenile Code, ~~Subchapter XI of~~ Chapter ~~7A~~ 7B of the General Statutes of North Carolina."

(c) G.S. 8-53.3 reads as rewritten:

"§ 8-53.3. Communications between psychologist and client or patient.

No person, duly authorized as a licensed psychologist or licensed psychological associate, nor any of his or her employees or associates, shall be required to disclose any information which he or she may have acquired in the practice of psychology and which information was necessary to enable him or her to practice psychology. Any resident or presiding judge in the district in which the action is pending may, subject to G.S. 8-53.6, compel disclosure, either at the trial or prior thereto, if in his or her opinion disclosure is necessary to a proper administration of justice. If the case is in district court the judge shall be a district court judge, and if the case is in superior court the judge shall be a superior court judge.

Notwithstanding the provisions of this section, the psychologist-client or patient privilege shall not be grounds for failure to report suspected child abuse or neglect to the appropriate county department of social services, or for failure to report a disabled adult suspected to be in need of protective services to the appropriate county department of social services. Notwithstanding the provisions of this section, the psychologist- client or patient privilege shall not be grounds for excluding evidence regarding the abuse or

neglect of a child, or an illness of or injuries to a child, or the cause thereof, or for excluding evidence regarding the abuse, neglect, or exploitation of a disabled adult, or an illness of or injuries to a disabled adult, or the cause thereof, in any judicial proceeding related to a report pursuant to the Child Abuse Reporting Law, ~~Article 44 of Chapter 7A,~~ Article 3 of Chapter 7B of the General Statutes, or to the Protection of the Abused, Neglected, or Exploited Disabled Adult Act, Article 6 of Chapter 108A of the General Statutes."

(d) G.S. 8-57.1 reads as rewritten:

"§ 8-57.1. Husband-wife privilege waived in child abuse.

Notwithstanding the provisions of G.S. 8-56 and G.S. 8-57, the husband-wife privilege shall not be ground for excluding evidence regarding the abuse or neglect of a child under the age of 16 years or regarding an illness of or injuries to such child or the cause thereof in any judicial proceeding related to a report pursuant to the Child Abuse Reporting Law, ~~Article 8 of Chapter 110~~ Article 3 of Chapter 7B of the General Statutes of North Carolina."

(e) G.S. 14-208.6B reads as rewritten:

"§ 14-208.6B. Registration requirements for juveniles transferred to and convicted in superior court.

A juvenile transferred to superior court pursuant to ~~G.S. 7A-608~~ G.S. 7B-2200 who is convicted of a sexually violent offense or an offense against a minor as defined in G.S. 14-208.6 shall register in accordance with this Article just as an adult convicted of the same offense must register."

(f) G.S. 15A-502(c) reads as rewritten:

"(c) This section does not authorize the taking of photographs or fingerprints of a juvenile alleged to be delinquent except under ~~G.S. 7A-596 through 7A-601 and 7A-603,~~ Article 21 of Chapter 7B of the General Statutes."

(g) G.S. 35A-1371 reads as rewritten:

"§ 35A-1371. Jurisdiction; limits.

Notwithstanding the provisions of Subchapter II of this Chapter, the clerk of superior court shall have original jurisdiction for the appointment of a standby guardian for a minor child under this Article. Provided that the clerk shall have no jurisdiction, no standby guardian may be appointed under this Article, and no designation may become effective under this Article when a district court has assumed jurisdiction over the minor child in an action under Chapter 50 of the General Statutes or in an abuse, neglect, or dependency proceeding under ~~Subchapter XI of Chapter 7A~~ Subchapter I of Chapter 7B of the General Statutes, or when a court in another state has assumed such jurisdiction under a comparable statute."

(h) G.S. 48-1-109(c) reads as rewritten:

"(c) An order for a report to the court must be sent to a county department of social services in this State or an agency licensed by the Department. If the petitioner moves to a different state before the agency completes the report, the agency shall request a report from an agency authorized to prepare such reports in the petitioner's new state of residence pursuant to the Interstate Compact on the Placement of Children, ~~G.S. 110-57.1, et seq.~~ Article 38 of Chapter 7B of the General Statutes."

(i) G.S. 48-2-102(b) reads as rewritten:

"(b) If an adoptee is also the subject of a pending proceeding under ~~Subchapter XI of Chapter 7A~~ Chapter 7B of the General Statutes, then the district court having jurisdiction under Chapter ~~7A~~ 7B shall retain jurisdiction until the final order of adoption is entered. The district court may waive jurisdiction for good cause."

(j) G.S. 48-3-201(d) reads as rewritten:

"(d) An agency having legal and physical custody of a minor may place the minor for adoption at any time after a relinquishment is executed by anyone as permitted by G.S. 48-3- 701. The agency may place the minor for adoption even if other consents are required before an adoption can be granted, unless an individual whose consent is required notifies the agency in writing of the individual's objections before the placement. The agency shall act promptly after accepting a relinquishment to obtain all other necessary consents, relinquishments, or terminations of any guardian's authority pursuant to Chapter 35A of the General Statutes or parental rights pursuant to ~~Article 24B of Chapter 7A~~ Article 11 of Chapter 7B of the General Statutes."

(k) G.S. 48-2-304(c) reads as rewritten:

"(c) A petition to adopt a minor under Article 3 of this Chapter shall also state:

(1) A description of the source of placement and the date of placement of the adoptee with the petitioner; and

(2) That the provisions of the Interstate Compact on the Placement of Children, ~~G.S. 110-57.1, et seq.,~~ Article 38 of Chapter 7B of the General Statutes, were followed if the adoptee was brought into this State from another state for purposes of adoption."

(l) G.S. 48-2-603 reads as rewritten:

"§ 48-2-603. Hearing on, or disposition of, petition to adopt a minor.

(a) At the hearing on, or disposition of, a petition to adopt a minor, the court shall grant the petition upon finding by a preponderance of the evidence that the adoption will serve the best interest of the adoptee, and that:

(1) At least 90 days have elapsed since the filing of the petition for adoption, unless the court for cause waives this requirement;

(2) The adoptee has been in the physical custody of the petitioner for at least 90 days, unless the court for cause waives this requirement;

(3) Notice of the filing of the petition has been served on any person entitled to receive notice under Part 4 of this Article;

(4) Each necessary consent, relinquishment, waiver, or judicial order terminating parental rights, has been obtained and filed with the court and the time for revocation has expired;

(5) Any assessment required by this Chapter has been filed with and considered by the court;

(6) If applicable, the requirements of the Interstate Compact on the Placement of Children, ~~G.S. 110- 57.1, et seq.,~~ Article 38 of Chapter 7B of the General Statutes, have been met;

(7) Any motion to dismiss the proceeding has been denied;

(8) Each petitioner is a suitable adoptive parent;

(9) Any accounting and affidavit required under G.S. 48-2-602 has been reviewed by the court, and the court has denied, modified, or ordered reimbursement of any payment or disbursement that violates Article 10 or is unreasonable when compared with the expenses customarily incurred in connection with an adoption;

(10) The petitioner has received information about the adoptee and the adoptee's biological family if required by G.S. 48-3-205; and

(11) There has been substantial compliance with the provisions of this Chapter.

(b) If the Court finds a violation of this Chapter pursuant to Article 10 or of the Interstate Compact on the Placement of Children, ~~G.S. 110-57.1, et seq.,~~ Article 38 of Chapter 7B of the General Statutes, but determines that in every other respect there has

been substantial compliance with the provisions of this Chapter, and the adoption will serve the best interest of the adoptee, the court shall:

(1) Grant the petition to adopt; and

(2) Impose the sanctions provided by this Chapter against any individual or entity who has committed a prohibited act or report the violations to the appropriate legal authorities.

(c) The court on its own motion may continue the hearing for further evidence."

(m) G.S. 48-2-305(7) reads as rewritten:

"(7) Any signed copy of the form required by the Interstate Compact on the Placement of Children, ~~G.S. 110-57.1, et seq.,~~ Article 38 of Chapter 7B of the General Statutes, authorizing a minor to come into this State;".

(n) G.S. 48-3-207 reads as rewritten:

"§ 48-3-207. Interstate placements.

An interstate placement of a minor for purposes of adoption shall comply with the Interstate Compact on the Placement of Children, ~~G.S. 110-57.1 et seq.~~ Article 38 of Chapter 7B of the General Statutes."

(o) G.S. 48-3-603(a)(1) reads as rewritten:

"(1) An individual whose parental rights and duties have been terminated under ~~Article 24B of Chapter 7A~~ Article 11 of Chapter 7B of the General Statutes or by a court of competent jurisdiction in another state;".

(p) G.S. 50-13.1(f) reads as rewritten:

"(f) Neither the mediator nor any party or other person involved in mediation sessions under this section shall be competent to testify to communications made during or in furtherance of such mediation sessions; provided, there is no privilege as to communications made in furtherance of a crime or fraud. Nothing in this subsection shall be construed as permitting an individual to obtain immunity from prosecution for criminal conduct or as excusing an individual from the reporting requirements of ~~G.S. 7A-543~~ Article 3 of Chapter 7B of the General Statutes or G.S. 108A-102."

(q) G.S. 50A-25 reads as rewritten:

"§ 50A-25. Emergency orders.

Nothing in this Chapter shall be interpreted to limit the authority of the court to issue an interlocutory order under the provisions of G.S. 50-13.5(d)(2); or a secure or nonsecure custody order under the provisions of ~~G.S. 7A-573,~~ G.S. 7B-502."

(r) G.S. 50B-6 reads as rewritten:

"§ 50B-6. Construction of Chapter.

This Chapter shall not be construed as granting a status to any person for any purpose other than those expressly stated herein. This Chapter shall not be construed as relieving any person or institution of the duty to report to the department of social services, as required by ~~G.S. 7A-543,~~ G.S. 7B-301, if the person or institution has cause to suspect that a juvenile is abused or neglected."

(s) G.S. 51-2(a) reads as rewritten:

"(a) All unmarried persons of 18 years, or older, may lawfully marry, except as hereinafter forbidden. In addition, persons over 16 years of age and under 18 years of age may marry, and the register of deeds may issue a license for such marriage, only after there shall have been filed with the register of deeds a written consent to such marriage, said consent having been signed by the appropriate person as follows:

(1) By the father if the male or female child applying to marry resides with his or her father, but not with his or her mother;

(2) By the mother if the male or female child applying to marry resides with

his or her mother, but not with his or her father;

(3) By either the mother or father, without preference, if the male or female child applying to marry resides with his or her mother and father;

(4) By a person, agency, or institution having legal custody, standing in loco parentis, or serving as guardian of such male or female child applying to marry.

Such written consent shall not be required for an emancipated minor if a certificate of emancipation issued pursuant to Article ~~56 of Chapter 7A~~ 35 of Chapter 7B of the General Statutes or a certified copy of a final decree or certificate of emancipation from this or any other jurisdiction is filed with the register of deeds."

(t) G.S. 90-21.6(1) reads as rewritten:

"(1) `Unemancipated minor' or `minor' means any person under the age of 18 who has not been married or has not been emancipated pursuant to Article ~~56 of Chapter 7A~~ 35 of Chapter 7B of the General Statutes."

(u) G.S. 90-21.8(f) reads as rewritten:

"(f) The court shall make written findings of fact and conclusions of law supporting its decision and shall order that a confidential record of the evidence be maintained. If the court finds that the minor has been a victim of incest, whether felonious or misdemeanor, it shall advise the Director of the Department of Social Services of its findings for further action pursuant to Article ~~44 of Chapter 7A~~ 3 of Chapter 7B of the General Statutes."

(v) G.S. 108A-14(a)(11) reads as rewritten:

"(11) To investigate reports of child abuse and neglect and to take appropriate action to protect such children pursuant to the Child Abuse Reporting Law, ~~Article 44 of Chapter 7A;~~ Article 3 of Chapter 7B of the General Statutes;".

(w) G.S. 110-102 reads as rewritten:

"§ 110-102. Information for parents.

The Secretary shall provide to each operator of a child care facility a summary of this Article for the parents, guardian, or full-time custodian of each child receiving child care in the facility to be distributed by the operator. The summary shall include the name and address of the Secretary and the address of the Commission. The summary shall also include a statement regarding the mandatory duty prescribed in ~~G.S. 7A-543~~ G.S. 7B- 301 of any person suspecting child abuse or neglect has taken place in child care, or elsewhere, to report to the county Department of Social Services. The statement shall include the definitions of child abuse and neglect described in the Juvenile Code in ~~G.S. 7A-517~~ G.S. 7B-101 and of child abuse described in the Criminal Code in G.S. 14-318.2 and G.S. 14-318.4. The statement shall stress that this reporting law does not require that the person reporting reveal the person's identity."

(x) G.S. 110-105.2(a) reads as rewritten:

"(a) For purposes of this Article, child abuse and neglect, as defined in ~~G.S. 7A-517~~ G.S. 7B-101 and in G.S. 14-318.2 and G.S. 14-318.4, occurring in child care facilities, are violations of the licensure standards and of the licensure law."

(y) G.S. 110-147 reads as rewritten:

"§ 110-147. Purpose.

It is the expressed intent of this Article to make the prevention of child abuse and neglect as defined in ~~G.S. 7A-517,~~ G.S. 7B-101, a priority of this State and to establish the Children's Trust Fund as a means to that end."

(z) G.S. 114-15.3 reads as rewritten:

"§ 114-15.3. Investigations of child sexual abuse in child care.

The Director of the Bureau may form a task force to investigate and gather evidence

following a notification by the director of a county department of social services, pursuant to ~~G.S. 7A-543,~~ G.S. 7B-301, that child sexual abuse may have occurred in a child care facility."

(aa) G.S. 115C-378 reads as rewritten:

"§ 115C-378. Children required to attend.

Every parent, guardian or other person in this State having charge or control of a child between the ages of seven and 16 years shall cause such child to attend school continuously for a period equal to the time which the public school to which the child is assigned shall be in session. Every parent, guardian, or other person in this State having charge or control of a child under age seven who is enrolled in a public school in grades kindergarten through two shall also cause such child to attend school continuously for a period equal to the time which the public school to which the child is assigned shall be in session unless the child has withdrawn from school. No person shall encourage, entice or counsel any such child to be unlawfully absent from school. The parent, guardian, or custodian of a child shall notify the school of the reason for each known absence of the child, in accordance with local school policy.

The principal, superintendent, or teacher who is in charge of such school shall have the right to excuse a child temporarily from attendance on account of sickness or other unavoidable cause which does not constitute unlawful absence as defined by the State Board of Education. The term `school' as used herein is defined to embrace all public schools and such nonpublic schools as have teachers and curricula that are approved by the State Board of Education.

All nonpublic schools receiving and instructing children of a compulsory school age shall be required to keep such records of attendance and render such reports of the attendance of such children and maintain such minimum curriculum standards as are required of public schools; and attendance upon such schools, if the school refuses or neglects to keep such records or to render such reports, shall not be accepted in lieu of attendance upon the public school of the district to which the child shall be assigned: Provided, that instruction in a nonpublic school shall not be regarded as meeting the requirements of the law unless the courses of instruction run concurrently with the term of the public school in the district and extend for at least as long a term.

The principal or his designee shall notify the parent, guardian, or custodian of his child's excessive absences after the child has accumulated three unexcused absences in a school year. After not more than six unexcused absences, the principal shall notify the parent, guardian, or custodian by mail that he may be in violation of the Compulsory Attendance Law and may be prosecuted if the absences cannot be justified under the established attendance policies of the State and local boards of education. Once the parents are notified, the school attendance counselor shall work with the child and his family to analyze the causes of the absences and determine steps, including adjustment of the school program or obtaining supplemental services, to eliminate the problem. The attendance counselor may request that a law-enforcement officer accompany him if he believes that a home visit is necessary.

After 10 accumulated unexcused absences in a school year the principal shall review any report or investigation prepared under G.S. 115C-381 and shall confer with the student and his parent, guardian, or custodian if possible to determine whether the parent, guardian, or custodian has received notification pursuant to this section and made a good faith effort to comply with the law. If the principal determines that parent, guardian, or custodian has not, he shall notify the district attorney. If he determines that parent, guardian, or custodian has, he may file a complaint with the juvenile intake counselor ~~under G.S. 7A-561~~ pursuant to Chapter 7B of the General Statutes that the child is

habitually absent from school without a valid excuse. Evidence that shows that the parents, guardian, or custodian were notified and that the child has accumulated 10 absences which cannot be justified under the established attendance policies of the local board shall establish a prima facie case that the child's parent, guardian, or custodian is responsible for the absences."

(bb) G.S. 115C-400 reads as rewritten:

"§ 115C-400. School personnel to report child abuse.

Any person who has cause to suspect child abuse or neglect has a duty to report the case of the child to the Director of Social Services of the county, as provided in ~~G.S. 7A-543 to 7A-552.~~ Article 3 of Chapter 7B of the General Statutes."

(cc) G.S. 115C-404(a) reads as rewritten:

"(a) Written notifications received in accordance with ~~G.S. 7A-675.1~~ Article 31 of Chapter 7B of the General Statutes are confidential records, are not public records as defined under G.S.132-1, and shall not be made part of the student's official record under G.S. 115C-402. Immediately upon receipt, the principal shall maintain these documents in a safe, locked record storage that is separate from the student's other school records. The principal shall maintain these documents until the principal receives notification that the judge dismissed the ~~petition under G.S. 7A-637,~~ petition, the judge transferred jurisdiction over the student to superior ~~court under G.S. 7A-608,~~ court, or the judge granted the student's petition for expunction of the ~~records.~~ records pursuant to Chapter 7B of the General Statutes. At that time, the principal shall shred, burn, or otherwise destroy the documents to protect the confidentiality of this information. In no case shall the principal make a copy of these documents."

(dd) G.S. 122C-54(h) reads as rewritten:

"(h) A facility shall disclose confidential information for purposes of complying with Article ~~44 of Chapter 7A~~ 3 of Chapter 7B of the General Statutes and Article 6 of Chapter 108A of the General Statutes, or as required by other State or federal law."

(ee) G.S. 122C-66(e) reads as rewritten:

"(e) The duty imposed by this section is in addition to any duty imposed by G.S. ~~7A-543~~ 7B-301 or G.S. 108A-102."

(ff) G.S. 122C-223(c) reads as rewritten:

"(c) If the legally responsible person cannot be located within 72 hours of admission, the responsible professional shall initiate proceedings for juvenile protective services as described in Article ~~44 of Chapter 7A~~ 3 of Chapter 7B of the General Statutes in either the minor's county of residence or in the county in which the facility is located."

(gg) G.S. 122C-421(a) reads as rewritten:

"(a) The Secretary may designate one or more special police officers who shall make up a joint security force to enforce the law of North Carolina and any ordinance or regulation adopted pursuant to G.S. 143-116.6 or G.S. 143-116.7 or pursuant to the authority granted the Department by any other law on the territory of the Black Mountain Center, the Alcohol Rehabilitation Center, and the Juvenile Evaluation Center, all in Buncombe County. After taking the oath of office for law enforcement officers as set out in G.S. 11-11, these special police officers have the same powers as peace officers now vested in sheriffs within the territory embraced by the named centers. These special police officers shall also have the power prescribed by ~~G.S. 7A-571(a)(4)~~ G.S. 7B-1900 outside the territory embraced by the named centers but within the confines of Buncombe County. These special police officers may arrest persons outside the territory of the named centers but within the confines of Buncombe County when the person arrested has committed a criminal offense within that territory, for which the officers could have arrested the person within that territory, and the arrest is made during the person's immediate and continuous

flight from that territory."

(hh) G.S. 131D-10.2(3) reads as rewritten:

"(3) 'Child' means an individual less than 18 years of age, who has not been emancipated under the provisions of ~~Article 56 of Chapter 7A~~ Article 35 of Chapter 7B of the General Statutes."

(ii) G.S. 131D-10.4(3) reads as rewritten:

"(3) Secure detention facilities as specified in Article ~~5 of Chapter 134A~~ 40 of Chapter 7B of the General Statutes;".

(jj) G.S. 132-1.4(l) reads as rewritten:

"(l) Records of investigations of alleged child abuse shall be governed by ~~G.S. 7A-675.~~ Article 29 of Chapter 7B of the General Statutes."

(kk) G.S. 143-576(1) reads as rewritten:

"(1) Review current deaths of children when those deaths are attributed to child abuse or neglect or when the decedent was reported as an abused or neglected juvenile pursuant to ~~G.S. 7A-543~~ G.S. 7B-301 at any time before death;".

(ll) G.S. 143B-168.14(a)(3) reads as rewritten:

"(3) Each local partnership shall adopt procedures to ensure that all personnel who provide services to young children and their families under this Part know and understand their responsibility to report suspected child abuse, neglect, or dependency, as defined in ~~G.S. 7A-517.~~ G.S. 7B-101."

(mm) G.S. 143B-496 reads as rewritten:

"§ 143B-496. Definitions.

For the purpose of this Part:

(1) 'Missing child' means a juvenile as defined in G.S. ~~7A-517(20)~~ 7B-101 whose location has not been determined, who has been reported as missing to a law-enforcement agency, and whose parent's, spouse's, guardian's or legal custodian's temporary or permanent residence is in North Carolina or is believed to be in North Carolina.

(2) 'Missing person' means any individual who is 18 years of age or older, whose temporary or permanent residence is in North Carolina, or is believed to be in North Carolina, whose location has not been determined, and who has been reported as missing to a law-enforcement agency.

(3) 'Missing person report' is a report prepared on a prescribed form for transmitting information about a missing person or a missing child to an appropriate law-enforcement agency."

(nn) G.S. 153A-221.1 reads as rewritten:

"§ 153A-221.1. Standards and inspections.

The legal responsibility of the Secretary of Health and Human Services and the Social Services Commission for State services to county juvenile detention homes under this Article is hereby confirmed and shall include the following: development of State standards under the prescribed procedures; inspection; consultation; technical assistance; and training. Further, the legal responsibility of the Department of Health and Human Services is hereby expanded to give said Department the same legal responsibility as to the State-administered regional detention homes which shall be developed by the State Department of Correction as provided by ~~G.S. 134A-37.~~ G.S. 7B-4008.

The Secretary of Health and Human Services shall develop new standards which shall be applicable to county detention homes and regional detention homes as defined by ~~G.S. 134-36~~ Article 40 of Chapter 7B of the General Statutes in line with the recommendations of the report entitled Juvenile Detention in North Carolina: A Study Report (January,

1973) where practicable, and such new standards shall become effective not later than July 1, 1977.

The Secretary of Health and Human Services shall also develop standards under which a local jail may be approved as a holdover facility for not more than five calendar days pending placement in a juvenile detention home which meets State standards, providing the local jail is so arranged that any child placed in the holdover facility cannot converse with, see, or be seen by the adult population of the jail while in the holdover facility. The personnel responsible for the administration of a jail with an approved holdover facility shall provide close supervision of any child placed in the holdover facility for the protection of the child."

(oo) If G.S. 143B-150.20 is enacted by Senate Bill 1366 of the 1997 General Assembly, then, effective July 1, 1999, G.S. 143B-150.20 is amended by deleting "G.S. 7A-675.1(d)" and substituting "G.S. 7B-2902(d)".

Section 14. Effective October 1, 1999, G.S. 14-208.31 reads as rewritten:

"§ 14-208.31. File with Police Information Network.

(a) The Division shall include the registration information in the Police Information Network as set forth in G.S. 114-10.1.

(b) The Division shall maintain the registration information permanently even after the registrant's reporting requirement expires; however, the records shall remain confidential in accordance with ~~G.S. 7A-675.~~ Article 32 of Chapter 7B of the General Statutes."

Section 15. G.S. 7A-302 reads as rewritten:

"§ 7A-302. Counties and municipalities responsible for physical facilities.

In each county in which a district court has been established, ~~courtrooms~~ courtrooms, office space for juvenile court counselors and support staff as assigned by the Office of Juvenile Justice, and related judicial facilities (including furniture), as defined in this Subchapter, shall be provided by the county, except that courtrooms and related judicial facilities may, with the approval of the Administrative Officer of the Courts, after consultation with county and municipal authorities, be provided by a municipality in the county. To assist a county or municipality in meeting the expense of providing courtrooms and related judicial facilities, a part of the costs of court, known as the `facilities fee,' collected for the State by the clerk of superior court, shall be remitted to the county or municipality providing the facilities."

PART XI. DIRECTIVES, STUDIES, REPORTS AND TRAINING

Section 16. The Department of Justice shall revise the Division of Criminal Information's juvenile arrest form that is used by State and local law enforcement agencies to provide more realistic reporting options and case disposition information. The Department of Justice shall rename the "Juvenile Arrest" form the "Juvenile Contact Report", with instructions to law enforcement "Use to Record the Handling of Juveniles Who Commit Criminal Offenses" and shall amend the report based on the form included with Recommendation 51 of the March 10, 1998, final report of the Governor's Commission on Juvenile Crime and Justice.

Section 17. (a) The Department of Justice shall develop guidelines for minority sensitivity training for all law enforcement personnel throughout the State. The Department shall ensure that all persons who work with minority juveniles in the juvenile justice system are taught how to communicate effectively with minority juveniles and how to recognize and address the needs of those juveniles. The Department shall also advise all law enforcement and professionals who work within the juvenile justice system of ways to improve the treatment of minority juveniles so that all juveniles receive equal treatment. Except where local law enforcement has existing minority sensitivity training

that meets the Department guidelines, the Department shall conduct the minority sensitivity training annually. Prior to the training each year, the Department shall assess whether minorities are receiving fair and equal treatment in the juvenile justice system with regard to the administration of predisposition procedures, of diversion methods, of dispositional alternatives, and of treatment and post-release supervision plans.

(b) The Office of Juvenile Justice shall ensure that all juvenile court counselors and other Division personnel receive the minority sensitivity training specified in subsection (a) of this section. The Chief Justice of the North Carolina Supreme Court shall consider ensuring that all judges who hear cases under the jurisdiction of the juvenile court receive minority sensitivity training.

(c) All guidelines and training required by this section shall be in effect no later than May 1, 1999.

Section 18. (a) The Office of Juvenile Justice shall provide training for juvenile court counselors and all other Office personnel on the provisions of Chapter 7B of the General Statutes as enacted by this act and may contract with qualified educational institutions to provide such training.

(b) The Administrative Office of the Courts shall provide training for court personnel, including judges and district attorneys, on the provisions of Chapter 7B of the General Statutes as enacted by this act and may contract with qualified educational institutions to provide such training.

(c) The Department of Justice shall provide training for law enforcement personnel throughout the State on the provisions of Chapter 7B of the General Statutes as enacted by this act.

(d) Training of all existing personnel, pursuant to this section, shall be completed no later than July 1, 1999.

Section 19. The Legislative Research Commission may review the changes proposed to the juvenile justice system contained in House Bill 1561 and Senate Bill 1513 of the 1997 General Assembly. The study may include other issues relevant to the disposition of abuse, neglect, and dependency cases. The Legislative Research Commission shall report its findings, recommendations, and any legislative proposals to the 1999 General Assembly.

Section 20. (a) The State Board of Education shall study the feasibility and advisability of delaying the start of the school day in order to provide students with constructive projects and tasks during late afternoon hours of the school week. If the Board recommends that the school day be delayed, the Board shall consider whether the local school administrative units should provide supervision of students whose working parents do not have early morning child care available.

(b) The State Board of Education shall report its findings, recommendations, and any legislative proposals to the Joint Legislative Education Oversight Committee on or before May 1, 1999.

Section 21. (a) The Criminal Justice Information Network Governing Board created pursuant to Section 23.3 of Chapter 18 of the Session Laws of the 1996 Second Extra Session shall develop a juvenile justice information plan for creation of the juvenile justice information system. The plan shall ensure that the information system will enable the State to evaluate the efficiency and effectiveness of the overall juvenile justice system as well as to monitor and evaluate the progress of individual clients and shall specify the:

(1) Scope and purpose of the system;

(2) Management information that will be collected and tracked;

(3) General design of the system;

(4) Estimates of the short- and long-range cost of the system and the potential

sources and amounts of federal funding; and

(5) Estimated time required to develop the system.

The plan shall include priorities for system development, implementation, and options, including cost estimates for phasing in components of the system. In developing the plan, the Criminal Justice Information Network Governing Board shall consult with the Information Resources Management Commission on the design and estimated cost of the system. The Board shall also consult with the Sentencing and Policy Advisory Commission and with all agencies likely to be part of or need access to the juvenile justice information system.

(b) Pursuant to the juvenile justice information plan, the Criminal Justice Information Network Governing Board shall develop a comprehensive juvenile justice information system. The Board shall develop a system to collect data and information about every juvenile who is alleged to be delinquent from the time a complaint is filed against the juvenile, including:

(1) Fingerprints and photographs taken of the juvenile;

(2) Diversion agreements or plans entered into by the juvenile;

(3) Community services provided to the juvenile and any participation of the juvenile in community-based programs;

(4) Court orders or dispositions of the juvenile; and

(5) Plans for care or treatment or for post-release supervision prepared by the Office of Juvenile Justice.

The system shall allow for information and data on juveniles to be kept in a form to be shared among appropriate agencies to develop treatment and intervention plans based on specific data and to allow reliable assessment and evaluation of the effectiveness of rehabilitative and preventive services provided to delinquent juveniles.

(c) The Criminal Justice Information Network Governing Board shall also study the most appropriate methods and procedures for obtaining, retaining, and releasing fingerprints and photographs of juveniles alleged to be delinquent, including:

(1) How to identify fingerprints and photographs of juveniles, including the use of social security numbers;

(2) How long fingerprints and photographs of juveniles should be maintained in the criminal justice information system;

(3) The extent to which juvenile fingerprints and photographs are kept confidential;

(4) The circumstances or conditions under which juvenile fingerprints and photographs should be disseminated;

(5) Whether juvenile fingerprints and photographs should be kept separate from adult records and files; and

(6) When the juvenile fingerprints and photographs should be destroyed.

(d) The Criminal Justice Information Network Governing Board shall consider the issue of expunction of juvenile records, including the appropriate length of time juvenile records should be available to law enforcement, prosecutors, and service providers and under what limitations and conditions records should be expunged.

(e) The Criminal Justice Information Network Governing Board shall report to the Chairs of the Senate and House Appropriations Committees and to the Fiscal Research Division of the General Assembly on the proposed system and any findings, recommendations, and legislative proposals from its study on or before May 1, 1999.

Section 22. (a) The Office of Juvenile Justice shall develop a cost-effective plan to establish statewide community- based dispositional alternatives for juveniles who are adjudicated delinquent. The plan shall include a funding strategy to encourage

communities to provide local resources, services, and treatment options to meet the physical, emotional, and mental needs of juveniles and their families. In developing the plan, the Office shall consider the following community-based alternatives:

(1) Home-based family counseling with family support groups that can provide required intervention services;

(2) After-school activity programs for middle school juveniles targeted at potential at-risk juveniles during the time when most juvenile crimes occur;

(3) Inpatient and outpatient substance abuse and sex offender treatment programs;

(4) Intensive supervision of high-risk juveniles; and

(5) Group homes with psychological treatment and programs for juveniles who do not pose a threat to the public but who need long-term intervention services.

In addition, in developing the plan, the Office shall recommend which judicial districts with high crime rates should have nonresidential day reporting centers to provide intensive supervision.

(b) The Office shall report to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety and to the Fiscal Research Division of the General Assembly on the proposed plan, the cost of the plan, and on any legislative proposals required to implement the plan on or before April 1, 2000.

Section 23. (a) The Office of Juvenile Justice shall establish a phased-in 10-county pilot On Track program as an additional probation option for certain juvenile delinquents who are subject to Level 2 disposition. Juveniles enrolled in this program will be placed under the supervision of a special On Track court counselor as case manager for the juvenile. Every juvenile enrolled in the On Track program will be subjected to a risk and needs assessment, a responsibility contract, a restitution requirement, parental accountability, counseling attendance, and graduation upon completion of the program. The responsibility contract shall be signed by the juvenile, the juvenile's parents, guardian or custodian, and the On Track court counselor. The contract shall include the agreement of the parties to restitution requirements, school attendance and appropriate school conduct, extracurricular school activity participation, obedience to parental supervision, counseling requirements, and requirements for abstinence from substance abuse. The program shall provide for intense intervention by the On Track court counselor. Each juvenile enrolled shall be assigned a trained mentor by the On Track court counselor.

(b) This section shall not become effective until funds are appropriated to implement this section.

Section 24. (a) The Office of Juvenile Justice shall establish three pilot Guard Response Alternative Sentencing Programs in three separate District Court Divisions as an additional probation option for certain first-time juvenile delinquents who are subject to Level 2 disposition through contract services.

(b) This section shall not become effective until funds are appropriated to implement this section.

Section 25. (a) The Administrative Office of the Courts shall establish pilot programs for the holding of family court within district court districts to be chosen by the Administrative Office of the Courts. Each pilot program shall be conducted following the guidelines for the establishment of family courts contained in the report of the Commission for the Future of Justice and the Courts in North Carolina and shall be assigned to hear all matters involving intrafamily rights, relationships, and obligations,

and all juvenile justice matters, including:

(1) Child abuse, neglect, and dependency;
(2) Delinquent and undisciplined juvenile matters;
(3) Emancipation of minors and termination of parental rights;
(4) Divorce;
(5) Annulment;
(6) Equitable distribution;
(7) Alimony and postseparation support;
(8) Child custody;
(9) Child support;
(10) Paternity;
(11) Adoption;
(12) Domestic violence civil restraining orders;
(13) Abortion consent waivers;
(14) Adult protective services; and
(15) Guardianship, involuntary commitment, and voluntary admissions to mental health facilities.

(b) The Administrative Office of the Courts shall report to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety and to the Fiscal Research Division of the General Assembly by March 1, 2000, on the success of the pilot programs in bringing consistency, efficiency, and fairness to the resolution of family matters and on the impact of the programs on caseloads in the district court division.

(c) If no funds are appropriated in the 1998-99 fiscal year to implement this section, this section shall not become effective.

Section 26. (a) The General Assembly finds that there are multiple risk factors that put youth at risk of becoming delinquent, such as aggression, school failure, child abuse and neglect, substance abuse, extreme economic deprivation, friends who engage in problem behavior, inconsistent and ineffective discipline, poor parental supervision, and family conflict. There are currently a number of screening programs available through a number of State and local entities that, if better coordinated, can provide adequate identification of delinquency risk factors so that delinquency prevention programs and services can be effective.

The General Assembly further finds that there are currently a number of State and local entities that provide delinquency prevention programs to at-risk youth and their families, including early intervention programs and programs improving cognitive and social competence and self-control skills, improving parenting skills, and providing positive role models. Many of these programs are already available and need only to be made more accessible and to be better coordinated with other existing programs and services.

(b) The Office of Juvenile Justice shall ensure that existing programs made available through a number of entities, both at the State and at the local level, that provide screenings that can provide adequate identification of delinquency risk factors, continue to be used in a consistent, coordinated, and cost-effective way so as to enable delinquency prevention programs and services to be utilized in a consistent, coordinated, and cost-effective way.

(c) In implementing this section, the Office shall cooperate with all affected State and local public and private entities, including local education agencies, local health departments, developmental evaluation centers, local departments of social services, the Division of Women and Children's Health, the Division of Social Services, and the

Division of Mental Health, Developmental Disabilities, and Substance Abuse Services of the Department of Health and Human Services, law enforcement agencies, and nonprofit agencies.

(d) The Office shall report to the General Assembly by April 1, 2000, on its implementation of this section. This report shall include an evaluation of the screenings and prevention programs, an identification of any bars in the law or in any agency's policy that preclude effective cooperation, together with any legislative and rule recommendations that are needed, recommendations as to any new screening or prevention programs and services that are needed, and a detailed cost analysis of these recommendations.

Section 27. (a) The Office of Juvenile Justice, in cooperation with the Department of Public Instruction, shall study more effective and efficient ways to:

(1) Coordinate case management of delinquency and undisciplined cases;

(2) Provide services to juveniles who are in need of treatment, counseling, or rehabilitation and to the families of those juveniles, including court-ordered parenting responsibility classes; and

(3) Provide the maximum protection to the public and to local school administrative units, in particular, through the sharing of information between agencies that work with juveniles who are delinquent or undisciplined and increased accountability of those juveniles and their parents.

(b) On or before April 1, 2000, the Office of Juvenile Justice and the Department of Public Instruction shall report its findings and recommendations, including any legislative proposals, to the General Assembly.

Section 28. The Office of Juvenile Justice shall use available funds to develop a risk and needs assessment instrument to be used to determine the treatment needs of delinquent juveniles and the risk that a delinquent juvenile will commit additional delinquent acts. The Office shall consider including the following factors in the instrument:

(1) Information regarding the juvenile's living situation;

(2) Information regarding drug or alcohol use by the juvenile or a member of the juvenile's household or immediate family;

(3) Information regarding the juvenile's school attendance; and

(4) Information regarding the juvenile's family, including any criminal history.

The Office shall present the recommended risk and needs assessment instrument to the Joint Legislative Commission on Governmental Operations by May 1, 1999.

Section 29. The Office of Juvenile Justice shall use funds within its budget to evaluate the effectiveness of the reform measures implemented pursuant to the provisions of this act. The Office shall report the results of the evaluation and any recommended legislative amendments to Chapter 7B of the General Statutes to the Joint Legislative Commission on Governmental Operations by October 1, 2000.

Section 30. The Office of Juvenile Justice in consultation with the North Carolina Sentencing and Policy Advisory Commission shall study blended sentencing and direct filing in certain juvenile cases. The study shall include, among other issues, consideration of whether North Carolina should adopt a criminal-inclusive model of blended sentencing whereby (i) a presiding superior court judge may simultaneously impose a juvenile disposition and an adult criminal disposition upon a juvenile transferred to superior court, and (ii) execution of the adult criminal disposition is suspended during imposition of the juvenile disposition and pending a violation or reoffense by the juvenile. The study shall

examine various models of blended sentencing, and may include a comprehensive survey of other states that have adopted variations of blended sentencing. The study shall also examine whether a prosecutor should have the authority to directly charge a juvenile as an adult in the case of 15-year-olds who have committed Class A-E felonies. The Office shall report the results of the study, including any legislative recommendations, to the General Assembly no later than March 15, 2000.

Section 31. The Office of Juvenile Justice, in cooperation with the Department of Health and Human Services, shall study the funding process for juvenile delinquency and substance abuse prevention programs provided for in this act. The study shall consider whether the process should be designed in such a way that funds are allocated to a program for a specific juvenile being served by the program, and whether the allocated funding should then follow that juvenile. The Office shall also consider whether a county should continue to fund services for a juvenile who has been receiving delinquency prevention services and is subsequently adjudicated delinquent and committed to training school, and whether, if still appropriate to reduce the recidivism risk, the county should send the program dollars to the training school. The Office shall report its findings and recommendations, by May 1, 1999, to the Fiscal Research Division of the General Assembly and to the Chairs of the House and Senate Appropriations Committees and to the Chairs of the Appropriations Subcommittees on Human Resources.

Section 32. The State Board of Education, through the Department of Public Instruction, shall study and report to the General Assembly on ways for the State to provide an alternative educational program for any student suspended or expelled from school. This study shall include (i) a review of current safe school plans and alternative educational programs, (ii) an analysis of current data on suspensions and expulsions, (iii) an assessment of federal, state, local, and private resources currently available to provide an educational program for students suspended or expelled from school, (iv) research of other educational programs offered by other State agencies, (v) a review of current law related to suspension and expulsion from school and the right to a public education, (vi) recommendations for a plan and timetable for implementing alternative educational programs for every student suspended or expelled from school, and (vii) a review of policies and procedures for transporting aggressive or assaultive students with other students, including disabled students, and development of a plan to insure the protection of all students, particularly disabled students from physical harm by aggressive or assaultive students. The State Board of Education shall report the results of this study, including any legislative recommendations, to the Joint Legislative Education Oversight Committee by May 1, 1999.

Section 33. The Office of Juvenile Justice shall use funds within its budget to study the overrepresentation of racial minorities in the juvenile justice system. The Office shall compare the dispositions for minority juveniles adjudicated delinquent or undisciplined with the dispositions for nonminority juveniles. The Office shall also compare the services made available to minority and nonminority juveniles and their families. To the extent that inequities are found, the Office shall make recommendations, including any legislative proposals, as to how those disparities should be addressed. The Office may hire an outside consultant to assist it with its work.

The Office shall report annually, no later than May 1, to the Governor, Chief Justice, and the General Assembly on any findings, recommendations, or legislative proposals. The Office shall make its final report to the Governor, Chief Justice, and the General Assembly no later than May 1, 2002.

Section 34. The Office of Juvenile Justice shall use funds within its budget to study the use of detention facilities and make recommendations as to how those detention

facilities could be utilized more efficiently. The study shall include a statistical analysis of the number of juveniles housed in detention facilities, the reasons for their detention, the length of their stays, and the numbers and frequency that juveniles are detained in adult jails. The Office shall report its findings and recommendations by May 1, 1999, and again by January 15, 2001, to the Fiscal Research Division of the General Assembly and the Chairs of the House and Senate Appropriations Committees.

PART XII. FACILITIES CONSTRUCTION

Section 35. (a) The Office of State Construction of the Department of Administration may contract for and supervise all aspects of administration, technical assistance, design, construction, or demolition of any juvenile facilities authorized for the 1998-99 fiscal year, including renovation of existing adult facilities to juvenile facilities.

The facilities authorized for the 1998-99 fiscal year shall be constructed in accordance with the provisions of general law applicable to the construction of State facilities. If the Secretary of Administration, after consultation with the Office of Juvenile Justice, finds that the delivery of juvenile facilities must be expedited for good cause, the Office of State Construction of the Department of Administration shall be exempt from the following statutes and rules implementing those statutes, to the extent necessary to expedite delivery: G.S. 143-135.26, 143-128, 143-129, 143-131, 143-132, 143-134, 113A-1 through 113A-10, 113A-50 through 113A-66, 133-1.1(g), and 143- 408.1 through 143-408.7.

Prior to exercising the exemptions allowable under this section, the Secretary of Administration shall give reasonable notice in writing of the Department's intent to exercise the exemptions to the Speaker of the House, the President Pro Tempore of the Senate, the Chairs of the House and Senate Appropriations Committees, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division. The written notice shall contain at least the following information: (i) the specific statutory requirement or requirements from which the Department intends to exempt itself; (ii) the reason the exemption is necessary to expedite delivery of juvenile facilities; (iii) the way in which the Department anticipates the exemption will expedite the delivery of facilities; and (iv) a brief summary of the proposed contract for the project which is to be exempted.

The Office of State Construction of the Department of Administration shall have a verifiable ten percent (10%) goal for participation by minority and women-owned businesses. All contracts for the design, construction, or demolition of juvenile facilities shall include a penalty for failure to complete the work by a specified date.

The Office of State Construction of the Department of Administration shall consult the Department of Health and Human Services on these projects to the extent that such involvement relates to the Department's program needs and to its responsibility for the care of the population of the facility.

(b) The Office of State Construction of the Department of Administration shall provide a report by May 1, 1999, to the Chairs of the Senate and House Appropriations Committees, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division as to any changes in projects and allocations authorized for the 1998-99 fiscal year. The report shall include information on which contractors have been selected, what contracts have been entered into, the projected and actual occupancy dates of facilities contracted for, the number of beds to be constructed on each project, the location of each project, and the projected and actual cost of each project.

PART XIII. SEVERABILITY CLAUSE

Section 36. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other

than the part so declared to be unconstitutional or invalid.

PART XIV. EFFECTIVE DATES

Section 37. (a) Sections 1, 3, 4, 15, 18, 22, 23, 24, 26 through 31, 33, and 34 of this act become effective January 1, 1999, and apply to acts committed on or after that date.

(b) Sections 2, 5 through 10, 12, and 13 of this act become effective July 1, 1999, and apply to acts committed on or after that date.

(c) Sections 11 and 14 of this act become effective October 1, 1999.

(d) The remainder of this act is effective when it becomes law.

The Conference Report is ordered placed on the Calendar for tomorrow, Wednesday, October 21, for adoption.

On motion of Senator Basnight, seconded by Senator Moore, the Senate adjourns at 10:17 A.M. to meet tomorrow, Wednesday, October 21, at 2:00 P.M.

TWO HUNDRED NINETEENTH DAY

Senate Chamber
Wednesday, October 21, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Marc Basnight, President *Pro Tempore*, who presides in the absence of the Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear God, it was said of Hubert Humphrey that he knew how to win and how to lose, how to live and how to die. Endow us, Oh God, with that same enthusiasm, joy, never give up attitude and genuine love for all people.

"Even when we're tired, disagreeable and wish we were somewhere else, inspire each of us to look forward to our daily tasks with enthusiasm and devotion. For Your sake we pray, Amen."

With unanimous consent, the President *Pro Tempore* grants leaves of absence for today to Senator Hoyle, Senator Rucho, and Senator Shaw of Cumberland.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Tuesday, October 20, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

H.B. 1055, AN ACT TO PROVIDE FOR THE INVESTIGATION AND

RESOLUTION OF CLAIMS RESULTING FROM DEFECTIVE SEED.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1357, AN ACT TO PROVIDE FOR "BEST VALUE" INFORMATION TECHNOLOGY PROCUREMENTS. (Became law upon approval of the Governor, October 21, 1998 - S.L. 1998-189.)

S.B. 1138, AN ACT TO ALLOW MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE CREDIT FOR PROBATIONARY EMPLOYMENT WITH A LOCAL GOVERNMENT. (Became law upon approval of the Governor, October 21, 1998 - S.L. 1998-190.)

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Kerr for the **Finance Committee**:

H.B. 1720 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AMEND THE GENERAL STATUTES PERTAINING TO CUSTODY OF ABUSED AND NEGLECTED JUVENILES AND JUVENILES PLACED FOR ADOPTION IN CONFORMANCE WITH FEDERAL ADOPTION AND SAFE FAMILIES ACT REQUIREMENTS, AND TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY CHANGES TO THE JUVENILE JUSTICE SYSTEM PERTAINING TO CHILD ABUSE, NEGLECT, AND DEPENDENCY, with an unfavorable report as to Senate Committee Substitute bill, but favorable as to Senate Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill No. 2, 2432, is adopted and engrossed.

By Senator Rand for the **Rules and Operations of the Senate Committee**:

H.B. 74 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE AN INDIVIDUAL INCOME TAX CREDIT FOR PREMIUMS PAID ON LONG-TERM CARE INSURANCE, with an unfavorable report as to Senate Committee Substitute bill, but favorable as to Senate Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill No. 2, 6480, which changes the title, upon concurrence, to read **H.B. 74** (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO CREATE MEDICARE PROVIDER SPONSORED ORGANIZATION LICENSING, is adopted and engrossed.

SPECIAL MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.B. 581 House of Representatives
October 20, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House of Representatives has adopted the report of the Conferees on Senate Committee Substitute for HB 581, A BILL TO BE ENTITLED AN ACT TO PROVIDE A CIVIL ACTION REMEDY FOR PERSONS WHO ARE SEXUALLY EXPLOITED BY THEIR PSYCHOTHERAPIST, to the end that when a similar action has been taken on the part of the Senate, we will order the bill enrolled.

Respectfully,
s/Denise Weeks
PRINCIPAL CLERK

The following special message is received from the House of Representatives:

H.B. 1114 House of Representatives
October 20, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House of Representatives has adopted the report of the Conferees on Senate Committee Substitute for HB 1114, A BILL TO BE ENTITLED AN ACT PROVIDING THAT CERTAIN LOCAL GOVERNMENTS MAINTAIN THE SWIFT CREEK MANAGEMENT PLAN AS AGREED TO BY THOSE JURISDICTIONS. Pursuant to your message that you have adopted the report of the Conferees, the bill is ordered enrolled.

Respectfully,
s/Denise Weeks
PRINCIPAL CLERK

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 1260 (Conference Report), A BILL TO BE ENTITLED AN ACT TO DEVELOP A PLAN OF REORGANIZATION FOR THE TRANSFER OF THE DIVISION OF YOUTH SERVICES OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE DIVISION OF JUVENILE SERVICES OF THE ADMINISTRATIVE OFFICE OF THE COURTS, TO ESTABLISH THE OFFICE OF JUVENILE JUSTICE, TO AMEND AND RECODIFY THE NORTH CAROLINA JUVENILE CODE, AND TO CONFORM THE GENERAL STATUTES TO THE RECODIFICATION OF THE JUVENILE CODE, AS RECOMMENDED BY THE COMMISSION ON JUVENILE CRIME AND JUSTICE, for adoption.

On motion of Senator Cooper, the Conference Report is taken up out of its regular order of business and on his further motion, the Senate adopts the Conference

Report (47-0). A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

H.B. 1629 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO REMOVE AN AREA FROM THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, TO ANNEX AN AREA AS DESCRIBED INTO THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, AND GIVE ADDITIONAL AUTHORITY TO THAT CITY TO MAKE VOLUNTARY SATELLITE ANNEXATIONS, upon second reading.

The Committee Substitute bill No. 2 passes its second reading by roll-call vote, ayes 45, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Horton, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Guilford, Soles, Webster, Weinstein, Wellons, and Winner—45.

Voting in the negative: None.

The Committee Substitute bill No. 2 is ordered placed on the Calendar for tomorrow, Thursday, October 22, upon third reading.

S.B. 666 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT CONCERNING SATELLITE ANNEXATIONS BY THE CITY OF RALEIGH, PROVIDING THAT THE CITY OF RALEIGH MAY BY RESOLUTION DEEM THE CREATION OF A SELF-FUNDED RISK PROGRAM AS THE PURCHASE OF INSURANCE FOR THE PURPOSE OF WAIVING GOVERNMENTAL IMMUNITY, AND TO ANNEX AN AREA TO THE VILLAGE OF PINEHURST, for concurrence in the House Committee Substitute bill, upon second reading.

The Senate concurs in the House Committee Substitute bill on its second reading by roll-call vote, ayes 44, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Horton, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Soles, Webster, Weinstein, Wellons, and Winner—44.

Voting in the negative: None.

The House Committee Substitute bill remains on the Calendar for tomorrow, Thursday, October 22, upon third reading.

S.B. 1312 (House Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO ALLOW CERTAIN COUNTIES TO ACQUIRE PROPERTY FOR USE BY THEIR COUNTY BOARDS OF EDUCATION, for concurrence in House Committee Substitute bill No. 3, upon second reading.

The Senate concurs in House Committee Substitute bill No. 3 on its second reading by roll-call vote, ayes 44, noes 2, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue,

Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Guilford, Soles, Weinstein, and Wellons—44.

Voting in the negative: Senators Webster and Winner—2.

The House Committee Substitute bill No. 3 remains on the Calendar for tomorrow, Thursday, October 22, upon third reading.

H.B. 1362, A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT TRANSFERRED SERVICE CREDITS MAY BE INCLUDED IN DETERMINING WHETHER A MEMBER OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM OR THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM MAY PURCHASE MILITARY SERVICE, upon second reading.

The bill passes its second (46-0) and third readings and is ordered enrolled and sent to the Governor.

H.B. 926 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS, upon third reading.

Senator Jenkins offers Amendment No. 4 which is adopted (46-0).

The Senate Committee Substitute bill, as amended, passes its third reading (45-0) and is ordered engrossed and sent to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

S.B. 809 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE ARTICLE ON REFRIGERATION CONTRACTORS AND RELATING TO THE CONVEYANCE OF PROPERTY BY THE NORTH CAROLINA BOARD OF CPA EXAMINERS, for concurrence in House Committee Substitute bill No. 2, upon third reading.

The Senate concurs in House Committee Substitute bill No. 2 on its third reading by roll-call vote, ayes 45, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Purcell, Rand, Reeves, Shaw of Guilford, Soles, Webster, Weinstein, Wellons, and Winner—45.

Voting in the negative: None.

The House Committee Substitute bill No. 2 is ordered enrolled and sent to the Governor.

S.B. 1274 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE LAW REGARDING THE CONTROL OF CHILDHOOD LEAD EXPOSURE, for concurrence in House Committee Substitute bill No. 2, upon third reading.

The Senate concurs in House Committee Substitute bill No. 2 on its third reading by roll-call vote, ayes 45, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue,

Phillips, Purcell, Rand, Reeves, Shaw of Guilford, Soles, Webster, Weinstein, Wellons, and Winner—45.

Voting in the negative: None.

The House Committee Substitute bill No. 2 is ordered enrolled and sent to the Governor.

S.B. 1554 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE EXCISE TAX ON CONTROLLED SUBSTANCES, for concurrence in House Committee Substitute bill No. 2, upon second reading.

The Senate concurs in House Committee Substitute bill No. 2 on its second reading by roll-call vote, ayes 40, noes 6, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Ballantine, Basnight, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Gulley, Hartsell, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Soles, Weinstein, Wellons, and Winner—40.

Voting in the negative: Senators Allran, East, Garwood, Horton, Shaw of Guilford, and Webster—6.

The House Committee Substitute bill No. 2 remains on the Calendar for tomorrow, Thursday, October 22, upon third reading.

H.B. 581 (Conference Report), A BILL TO BE ENTITLED AN ACT TO PROVIDE A CIVIL ACTION REMEDY FOR PERSONS WHO ARE SEXUALLY EXPLOITED BY THEIR PSYCHOTHERAPIST, for adoption.

On motion of Senator Miller, the Senate adopts the Conference Report (46-0).

The Chair orders a message sent to the House of Representatives informing that Honorable Body of such action.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 1260

House of Representatives
October 21, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House of Representatives has adopted the report of the Conferees for House Committee Substitute #2 on SB 1260, A BILL TO BE ENTITLED AN ACT TO DEVELOP A PLAN OF REORGANIZATION FOR THE TRANSFER OF THE DIVISION OF YOUTH SERVICES OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE DIVISION OF JUVENILE SERVICES OF THE ADMINISTRATIVE OFFICE OF THE COURTS TO THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY, TO AMEND AND RECODIFY THE NORTH CAROLINA JUVENILE CODE, AND TO CONFORM THE GENERAL STATUTES TO THE RECODIFICATION OF THE JUVENILE CODE, AS RECOMMENDED BY THE COMMISSION ON JUVENILE CRIME AND JUSTICE, to the end that when a

similar action has been taken on the part of the Senate, you may order the bill enrolled.

Respectfully,
S/Denise Weeks
Principal Clerk

Pursuant to the Senate having adopted the Conference Report earlier today, the President *Pro Tempore* orders the bill enrolled and sent to the Governor.

On motion of Senator Ballance, seconded by Senator Lee, the Senate adjourns at 3:21 P.M. to meet Thursday, October 22, at 11:00 A.M.

TWO HUNDRED TWENTIETH DAY

Senate Chamber
Thursday, October 22, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Marc Basnight, President *Pro Tempore*, who presides in the absence of the Lieutenant Governor.

Prayer is offered by the Honorable Austin M. Allran, Senator from Catawba County, as follows:

"Dear Father, who art in Heaven, as Your children on this earth, we are busy, but we must ask ourselves sometimes if our busyness is Your Will. For us, it is easy to make ourselves think that we are attending to important things, and sometimes we are, in the short run.

"But in the long run, what would You have us do? The answer You have given us is a simple one: 'Love the Lord thy God with all thy heart, and with all thy mind and with all thy strength. This is the first and great commandment. The second is like unto it: love thy neighbor as thyself.'

"So it is for us to put You first and Your children, our brothers and sisters second, with ourselves.

"In this way, we can move forward each day, confident that we are doing what is right, because we are doing Your Will. And in the long run, that is all that really matters. Amen."

With unanimous consent, the President *Pro Tempore* grants leaves of absence for today to Senator Carrington, Senator Dalton, Senator Garwood, Senator Hoyle, Senator Page, Senator Rucho, and Senator Shaw of Cumberland.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Wednesday, October 21, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 809, AN ACT TO AMEND THE ARTICLE ON REFRIGERATION CONTRACTORS AND RELATING TO THE CONVEYANCE OF PROPERTY BY THE NORTH CAROLINA BOARD OF CPA EXAMINERS.

S.B. 882, AN ACT TO REQUIRE STATE AGENCIES TO DEPOSIT THE CLEAR PROCEEDS OF CIVIL PENALTIES AND CIVIL FORFEITURES INTO THE CIVIL PENALTY AND FORFEITURE FUND.

S.B. 1260, AN ACT TO DEVELOP A PLAN OF REORGANIZATION FOR THE TRANSFER OF THE DIVISION OF YOUTH SERVICES OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE DIVISION OF JUVENILE SERVICES OF THE ADMINISTRATIVE OFFICE OF THE COURTS, TO ESTABLISH THE OFFICE OF JUVENILE JUSTICE, TO AMEND AND RECODIFY THE NORTH CAROLINA JUVENILE CODE, AND TO CONFORM THE GENERAL STATUTES TO THE RECODIFICATION OF THE JUVENILE CODE, AS RECOMMENDED BY THE COMMISSION ON JUVENILE CRIME AND JUSTICE.

S.B. 1274, AN ACT TO AMEND THE LAW REGARDING THE CONTROL OF CHILDHOOD LEAD EXPOSURE.

H.B. 581, AN ACT TO PROVIDE A CIVIL ACTION REMEDY FOR PERSONS WHO ARE SEXUALLY EXPLOITED BY THEIR PSYCHOTHERAPIST.

H.B. 1362, AN ACT TO PROVIDE THAT TRANSFERRED SERVICE CREDITS MAY BE INCLUDED IN DETERMINING WHETHER A MEMBER OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM OR THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM MAY PURCHASE MILITARY SERVICE.

The Enrolling Clerk reports the following bill duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.B. 1114, AN ACT PROVIDING THAT CERTAIN LOCAL GOVERNMENTS MAINTAIN THE SWIFT CREEK MANAGEMENT PLAN AS AGREED TO BY THOSE JURISDICTIONS.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 916

House of Representatives
October 22, 1998

Mr. President:

Pursuant to your information that your Honorable Body failed to concur in House Committee Substitute for SB 916, A BILL TO BE ENTITLED AN ACT TO REWRITE THE LAWS REGULATING COSMETIC ART AND TO REGULATE THE PRACTICE OF MASSAGE AND BODYWORK THERAPY, the Speaker has appointed as conferees on the part of the House,

Representative Clary, Chair;
Representative Morgan,
Representative Gardner,
Representative Sherrill, and
Representative Baker

to act with a like committee on the part of the Senate to the end that the differences existing between the two bodies may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1629 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO REMOVE AN AREA FROM THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, TO ANNEX AN AREA AS DESCRIBED INTO THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, AND GIVE ADDITIONAL AUTHORITY TO THAT CITY TO MAKE VOLUNTARY SATELLITE ANNEXATIONS, upon third reading.

With unanimous consent, on motion of Senator Kerr, the Committee Substitute bill No. 2 is withdrawn from today's Calendar and is placed on the Calendar for Monday, October 26, upon third reading.

S.B. 666 (House Committee Substitute) A BILL TO BE ENTITLED AN ACT CONCERNING SATELLITE ANNEXATIONS BY THE CITY OF RALEIGH, PROVIDING THAT THE CITY OF RALEIGH MAY BY RESOLUTION DEEM THE CREATION OF A SELF-FUNDED RISK PROGRAM AS THE PURCHASE OF INSURANCE FOR THE PURPOSE OF WAIVING GOVERNMENTAL IMMUNITY, AND TO ANNEX AN AREA TO THE VILLAGE OF PINEHURST, for concurrence in the House Committee Substitute bill, upon third reading.

The Senate concurs in the House Committee Substitute bill on its third reading by roll-call vote, ayes 40, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Clark, Cochrane, Cooper, Dannelly, East, Forrester, Foxx, Gulley, Hartsell, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Soles, Warren, Webster, Weinstein, Wellons, and Winner—40.

Voting in the negative: None.

The House Committee Substitute bill is ordered enrolled.

S.B. 1312 (House Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO ALLOW CERTAIN COUNTIES TO ACQUIRE PROPERTY FOR USE BY THEIR COUNTY BOARDS OF EDUCATION, for concurrence in House Committee Substitute bill No. 3, upon third reading.

The Senate concurs in House Committee Substitute bill No. 3 on its third reading by roll-call vote, ayes 41, noes 2, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Clark, Cochrane, Cooper, Dannelly, East, Forrester, Foxx, Gulley, Hartsell, Horton, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Guilford, Soles, Warren, Weinstein, and Wellons—41.

Voting in the negative: Senators Webster and Winner—2.

The House Committee Substitute bill No. 3 is ordered enrolled.

H.B. 74 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO CREATE MEDICARE PROVIDER SPONSORED ORGANIZATION LICENSING, upon second reading.

Upon the appearance of Senator Page in the Chamber, the Chair acknowledges his presence and the leave of absence previously granted is withdrawn.

The President *Pro Tempore* rules that the Senate Committee Substitute bill No. 2 does not require a call of the roll.

The Senate Committee Substitute bill No. 2 passes its second (44-0) and third (43-0) readings and is ordered, without objection, sent by special messenger to the House of Representatives, for concurrence in the Senate Committee Substitute bill No. 2.

MOTION TO SEND BILLS BY SPECIAL MESSENGER

With unanimous consent, upon motion of Senator Rand, all bills will be sent to the House of Representatives by special messenger for the remainder of the Session.

CALENDAR *(Continued)*

H.B. 1720 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE GENERAL STATUTES PERTAINING TO CUSTODY OF ABUSED AND NEGLECTED JUVENILES AND JUVENILES PLACED FOR ADOPTION IN CONFORMANCE WITH FEDERAL ADOPTION AND SAFE FAMILIES ACT REQUIREMENTS, AND TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY CHANGES TO THE JUVENILE JUSTICE SYSTEM PERTAINING TO CHILD ABUSE, NEGLECT, AND DEPENDENCY, upon second reading.

The Senate Committee Substitute bill No. 2 passes its second reading by roll-call vote, ayes 44, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Basnight, Blust, Carpenter, Clark, Cochrane, Cooper, Dannelly, East, Forrester, Foxx, Gulley, Hartsell, Horton, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—44.

Voting in the negative: None.

The Senate Committee Substitute bill No. 2 is ordered placed on the Calendar for Monday, October 26, upon third reading.

S.B. 1554 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE EXCISE TAX ON CONTROLLED SUBSTANCES, for concurrence in House Committee Substitute bill No. 2, upon third reading.

Senator Webster announces a pair vote. If Senator Dalton were present he would vote "aye"; Senator Webster votes "no."

The Senate concurs in House Committee Substitute bill No. 2 on its third reading by roll-call vote, ayes 40, noes 2, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Ballantine, Basnight, Blust, Carpenter, Clark, Cochrane, Cooper, Dannelly, Forrester, Foxx, Gulley, Hartsell, Horton, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Soles, Warren, Weinstein, Wellons, and Winner—40.

Voting in the negative: Senators Allran and Shaw of Guilford—2.

The House Committee Substitute bill No. 2 is ordered enrolled and sent to the Governor by special messenger.

COMMITTEE REFERRAL RECALL

S.B. 1424 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT CABARRUS MEMORIAL HOSPITAL MAY AWARD A BACCALAUREATE DEGREE TO GRADUATES OF ITS NURSING AND ALLIED HEALTH SCIENCES PROGRAMS AS APPROPRIATE, referred to the **Education/Higher Education Committee** on September 29.

Pursuant to Rule 47(a), Senator Winner offers a motion that the House Committee Substitute bill be withdrawn from the **Education/Higher Education Committee** and placed on the Calendar for Monday, October 26, which motion prevails with unanimous consent.

The Chair orders the House Committee Substitute bill withdrawn from the **Education/Higher Education Committee** and places it on the Calendar for Monday, October 26.

On motion of Senator Ballance, seconded by Senator Soles, the Senate adjourns at 11:44 A.M. to meet Monday, October 26, at 7:00 P.M.

TWO HUNDRED TWENTY-FIRST DAY

Senate Chamber
Monday, October 26, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Almighty God, at the outset of our prayer, we especially ask You to provide comfort to Senator Basnight and family in the death of his mother this morning.

"When we have time to reflect on this longer than expected Session of the North Carolina Senate, may we find that our service has been a blessing not only to others but also each other. You have rejoiced with us in victory, comforted us in defeat, and graced us with forgiveness when we failed You.

"Thank You, especially for the things often overlooked and seldom publicized; our time together each day in prayer, personal gestures of friendship, concern, and kindness outside of the political arena, minds to reason, hands to write and voices to proclaim. Holy Scripture says, 'All things work together for good to them that love You, Oh God.' Let it be so! Amen."

With unanimous consent, the President grants leaves of absence for tonight to Senator Ballance, Senator Basnight, Senator Carrington, Senator Jordan, Senator Kinnaird, Senator Lee, and Senator Soles.

Senator Rand announces the Journal of Thursday, October 22, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

ENROLLED BILLS

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 1554, AN ACT TO AMEND THE EXCISE TAX ON CONTROLLED SUBSTANCES.

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

S.B. 666, AN ACT CONCERNING SATELLITE ANNEXATIONS BY THE CITY OF RALEIGH, PROVIDING THAT THE CITY OF RALEIGH MAY BY RESOLUTION DEEM THE CREATION OF A SELF-FUNDED RISK PROGRAM AS THE PURCHASE OF INSURANCE FOR THE PURPOSE OF WAIVING GOVERNMENTAL IMMUNITY, AND TO ANNEX AN AREA TO THE VILLAGE OF PINEHURST.

S.B. 1312, AN ACT TO ALLOW CERTAIN COUNTIES TO ACQUIRE PROPERTY FOR USE BY THEIR COUNTY BOARDS OF EDUCATION.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1248, AN ACT TO PROTECT NORTH CAROLINA CITIZENS FROM LOSSES DUE TO FEDERAL TOBACCO LEGISLATION OR TOBACCO LITIGATION AND TO PROVIDE THAT FUNDS RECEIVED DUE TO TOBACCO SETTLEMENTS AND RELATED CONGRESSIONAL LEGISLATION SHALL BE

SPENT PURSUANT TO APPROPRIATION BY THE GENERAL ASSEMBLY. (Became law upon approval of the Governor, October 21, 1998 - S.L. 1998-191.)

H.B. 1114, AN ACT PROVIDING THAT CERTAIN LOCAL GOVERNMENTS MAINTAIN THE SWIFT CREEK MANAGEMENT PLAN AS AGREED TO BY THOSE JURISDICTIONS. (Became law upon ratification, October 22, 1998 - S.L. 1998-192.)

S.B. 656, AN ACT TO MODIFY THE HIGH-VOLTAGE LINE SAFETY ACT AND TO AMEND THE LAW ON PROJECT EXPEDITERS ON PUBLIC CONTRACTS. (Became law upon approval of the Governor, October 24, 1998 - S.L. 1998-193.)

H.B. 1371, AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO INCREASE PURCHASING FLEXIBILITY FOR ALL PUBLIC SCHOOLS. (Became law upon approval of the Governor, October 24, 1998 - S.L. 1998-194.)

S.B. 1202, AN ACT TO AUTHORIZE COUNTY CONVEYANCE OF SURPLUS AUTOMOBILES TO A NOT-FOR-PROFIT RECIPIENT FOR SUBSEQUENT CONVEYANCE TO WORK FIRST PARTICIPANTS. (Became law upon approval of the Governor, October 24, 1998 - S.L. 1998-195.)

S.B. 333, AN ACT TO AMEND THE LAW GOVERNING THE PROCEDURE FOR ENTRY OF ORDERS IN THE COMMODITIES ACT. (Became law upon approval of the Governor, October 24, 1998 - S.L. 1998-196.)

H.B. 1126, AN ACT TO EXEMPT LOCAL PAY PHONE SERVICES FROM SALES TAX. (Became law upon approval of the Governor, October 24, 1998 - S.L. 1998-197.)

S.B. 1287, AN ACT TO CLARIFY THE LAW REGARDING HEALTH CARE POWERS OF ATTORNEY AND ADVANCE INSTRUCTION FOR MENTAL HEALTH TREATMENT BASED ON RECOMMENDATIONS OF THE JOINT LEGISLATIVE HEALTH CARE OVERSIGHT COMMITTEE. (Became law upon approval of the Governor, October 24, 1998 - S.L. 1998-198.)

REPORT OF COMMITTEE

A bill is reported from a standing committee, read by its title, together with the report accompanying it, and takes its place on the Calendar, as follows:

By Senator Kerr for the **Finance Committee**:

H.B. 1528 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF LONG BEACH TO LEVY AN ADDITIONAL TWO PERCENT OCCUPANCY TAX TO BE USED FOR BEACH RENOURISHMENT AND PROTECTION, with an unfavorable report as to bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill XA494, which changes the title, upon concurrence, to read, **H.B. 1528** (Senate Committee Substitute), A

BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF LONG BEACH TO LEVY AN ADDITIONAL TWO PERCENT OCCUPANCY TAX TO BE USED FOR BEACH RENOURISHMENT AND PROTECTION AND TO AUTHORIZE THE TOWN OF NORTH TOPSAIL BEACH TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX, is adopted and engrossed.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 1124

House of Representatives
October 26, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House has adopted the report of the Conferees on House Committee Substitute for SB 1124, A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO EMPLOY TEACHERS WHO ARE LEGALLY CERTIFICATED IN ANOTHER STATE EVEN THOUGH THEY MAY NOT BE CERTIFICATED IN NORTH CAROLINA, AND TO PROVIDE AN ALTERNATIVE METHOD FOR LOCAL BOARDS TO HIRE LATERAL ENTRY TEACHERS, to the end that when a similar action has been taken on the part of the Senate, you may order the bill enrolled.

Respectfully,
S/Denise Weeks
Principal Clerk

CONFERENCE REPORT

S.B. 1124

Senator Hartsell for the Conferees appointed to consider the differences arising between the Senate and House of Representatives upon **S.B. 1124** (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO EMPLOY TEACHERS WHO ARE LEGALLY CERTIFICATED IN ANOTHER STATE EVEN THOUGH THEY MAY NOT BE CERTIFICATED IN NORTH CAROLINA, AND TO PROVIDE AN ALTERNATIVE METHOD FOR LOCAL BOARDS TO HIRE LATERAL ENTRY TEACHERS, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 1124, A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO EMPLOY TEACHERS WHO ARE LEGALLY CERTIFICATED IN ANOTHER STATE EVEN THOUGH THEY MAY NOT BE CERTIFICATED IN NORTH CAROLINA, AND TO PROVIDE AN ALTERNATIVE METHOD FOR LOCAL BOARDS TO HIRE LATERAL ENTRY

TEACHERS, House Committee Substitute Favorable 7/15/98, submit the following report:

The Senate and the House agree to the following amendments to the House Committee Substitute Favorable 7/15/98, and the Senate concurs in the House Committee Substitute as amended:

on page 1, line 8, through page 2, line 44, by rewriting the lines to read:

"Section 1. Article 20 of Chapter 115C of the General Statutes is amended by adding the following new section to read:

"**§ 115C-296.1. Teacher shortages; certification.**

(a) Notwithstanding any other law, if a local board determines there is or anticipates there will be a shortage of qualified teachers with North Carolina certificates available to teach specified subjects or grade levels, then the local board may employ as teachers individuals who do not meet the State Board's requirements for initial or continuing State certification. The local board may employ an individual under this subsection for up to one year under a provisional certificate so long as:

(1) Each individual has a postsecondary degree that is at least a bachelor's degree.

(2) Each individual has:

a. An out-of-State certificate authorizing the individual to teach the grade or subject to be taught and at least one year of classroom teaching experience the board considers relevant to the grade or subject to be taught;

b. At least one year of full-time classroom teaching experience as a professor, assistant professor, associate professor, instructor, or visiting lecturer at a constituent institution of The University of North Carolina, a North Carolina community college, or other institution of higher education as defined in G.S. 90-270.2(5) provided the board considers the experience relevant to the grade or subject to be taught; or

c. Three years of other experience provided the board determines that both the individual's experience and postsecondary education are relevant to the grade or subject to be taught.

(3) Each individual is eligible for re-employment by his or her prior employer.

(4) The board has developed a plan to determine the individual's competence as a teacher. The board's plan shall include a review of the performance of students taught by the individual.

(5) During the period of employment under this subsection, the board provides a mentor teacher if the individual does not have a year of classroom teaching experience.

(6) During the period of employment under this subsection, the individual receives an annual evaluation and multiple observations under G.S. 115C-333(a).

(b) A local board may re-employ as a teacher an individual the board initially employed under subdivision (a) (2) a of this section. This individual is then deemed to have satisfied the academic and professional preparation required to receive an initial or continuing State teacher certificate and is not required to take and pass a standard examination to demonstrate that preparation. An individual who receives an initial or continuing State certificate under this subsection is subject to the same requirements for

continuing certification and certificate renewal as other teachers who hold initial or continuing State teacher certificates.

(c) A local board may re-employ as a teacher an individual the board initially employed under subdivisions (a) (2) b and (a) (2) c of this section. If the individual, within one year of the initial employment, takes and passes the standard examination adopted by the State Board under G.S. 115C-296(a) that is applicable to the grade or subject the individual is employed to teach, then upon re-employment the individual is deemed to have satisfied the academic and professional preparation required to receive an initial State teacher certificate. An individual who receives an initial certificate under this subsection is subject to the same requirements for continuing certification as other teachers who hold initial State teacher certificates. If the individual, within one year of the initial employment, does not take and pass the standard examination adopted by the State Board under G. S. 115C-296(a) that is applicable to the grade or subject the individual is employed to teach, then upon re-employment the individual shall continue to hold a provisional certificate and is subject to G.S. 115C-296(c).

(d) Local boards shall report semi-annually to the State Board the number of individuals employed as teachers under each sub-subdivision of subdivision (2) of subsection (a) of this section.'

Section 2. This act is effective when it becomes law and expires September 1, 2002, except that it remains effective for any teacher employed under this act before September 1, 2002.".

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: October 1, 1998.

S/Fletcher L. Hartsell, Jr.
Senator Dalton
S/Howard Lee
S/Leslie Winner

Conferees for the Senate

S/Fern H. Shubert
S/Richard T. Morgan

Conferees for the House of Representatives

The Conference Report is ordered placed on the Calendar for tomorrow, Tuesday, October 27, for adoption.

CALENDAR

Bills on tonight's Calendar are taken up and disposed of, as follows:

H.B. 1629 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO REMOVE AN AREA FROM THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, TO ANNEX AN AREA AS DESCRIBED INTO THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, AND GIVE ADDITIONAL AUTHORITY TO THAT CITY TO MAKE VOLUNTARY SATELLITE ANNEXATIONS, upon third reading.

The Committee Substitute bill No. 2 passes its third reading by roll-call vote, ayes 38, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballantine, Blust, Carpenter, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Kerr, Ledbetter, Lucas, Martin of Guilford, McDaniel, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Rucho, Shaw of Cumberland, Shaw of Guilford, Warren, Webster, Weinstein, and Wellons—38.

Voting in the negative: None.

The Committee Substitute bill No. 2 is ordered enrolled.

S.B. 1424 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT CABARRUS MEMORIAL HOSPITAL MAY AWARD A BACCALAUREATE DEGREE TO GRADUATES OF ITS NURSING AND ALLIED HEALTH SCIENCES PROGRAMS AS APPROPRIATE, for concurrence in the House Committee Substitute bill.

The Senate concurs in the House Committee Substitute bill (37-0) and the measure is ordered enrolled.

H.B. 1720 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AMEND THE GENERAL STATUTES PERTAINING TO CUSTODY OF ABUSED AND NEGLECTED JUVENILES AND JUVENILES PLACED FOR ADOPTION IN CONFORMANCE WITH FEDERAL ADOPTION AND SAFE FAMILIES ACT REQUIREMENTS, AND TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY CHANGES TO THE JUVENILE JUSTICE SYSTEM PERTAINING TO CHILD ABUSE, NEGLECT, AND DEPENDENCY, upon third reading.

The Senate Committee Substitute bill No. 2 passes its third reading by roll-call vote, ayes 37, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballantine, Blust, Carpenter, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Kerr, Ledbetter, Lucas, Martin of Guilford, McDaniel, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rucho, Shaw of Cumberland, Shaw of Guilford, Warren, Webster, Weinstein, and Wellons—37.

Voting in the negative: None.

The Senate Committee Substitute bill is ordered, without objection, sent by special messenger to the House of Representatives, for concurrence in the Senate Committee Substitute bill No. 2.

CONFERENCE REPORT

S.B. 1366

Senator Plyler for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **S.B. 1366** (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 1366, A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE, House Committee Substitute, Fifth Edition Engrossed 7/22/98, submit the following report:

The House of Representatives and the Senate agree to the following amendment to the House Committee Substitute, Fifth Edition Engrossed 7/22/98, and the House concurs in the House Committee Substitute, Fifth Edition Engrossed 7/22/98, with the following amendment:

Delete the entire House Committee Substitute, Fifth Edition Engrossed 7/22/98, and substitute the attached Proposed Conference Committee Substitute S1366-PCCS 4722-LE.

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: October 26, 1998.

S/Aaron W. Plyler
S/Beverly E. Perdue
S/T. L. Fountain Odom
S/Charles W. Albertson
Frank W. Ballance, Jr.
S/Roy A. Cooper, III
S/Walter Dalton
S/Charlie S. Dannelly
S/Wib Gulley
S/David Hoyle
S/Thomas K. Jenkins
Luther H. Jordan, Jr.
S/John H. Kerr, III
S/Howard Lee
S/Jeanne Hopkins Lucas
S/William N. Martin
R. L. Martin
S/Jim W. Phillips, Sr.
S/William R. Purcell
S/Anthony E. Rand
Eric Miller Reeves
S/Ed N. Warren
S/David F. Weinstein
S/Allen H. Wellons

S/George M. Holmes
Gene Arnold
S/Rex L. Baker
S/Joanne W. Bowie
S/C. Robert Brawley
S/Lanier M. Cansler
S/James C. Carpenter
S/Walter Church, Sr.
S/Debbie A. Clary
S/James W. Crawford, Jr.
S/Billy J. Creech
S/N. Leo Daughtry
S/W. Dickson
S/Jerry C. Dockham
S/Theresa H. Esposito
S/Charlotte A. Gardner
S/Lyons Gray
Dewey Hill
S/Julia C. Howard
S/Howard J. Hunter, Jr.
S/William Ives
S/Larry T. Justus
S/Joe Kiser
S/Eugene McCombs

S/Leslie Winner

S/W. Edwin McMahan
S/Frank Mitchell
S/Richard T. Morgan
S/Warren C. Oldham
S/Jean R. Preston
S/Carolyn B. Russell
S/Wilma M. Sherrill
S/Gregory J. Thompson
S/Constance K. Wilson
S/Gene Wilson
S/Wayne Sexton

Conferees for the Senate

Conferees for the House of Representatives

The text of the attached Proposed Conference Committee Substitute S1366-PCCS4722-LE is as follows:

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.

The General Assembly of North Carolina enacts:

PART I. INTRODUCTION AND TITLE OF ACT

INTRODUCTION

Section 1. The appropriations made in this act are for maximum amounts necessary to provide the services and accomplish the purposes described in the budget. Savings shall be effected where the total amounts appropriated are not required to perform these services and accomplish these purposes and, except as allowed by the Executive Budget Act, or this act, the savings shall revert to the appropriate fund at the end of each fiscal year.

TITLE OF ACT

Section 1.1. This act shall be known as the "Current Operations Appropriations and Capital Improvement Appropriations Act of 1998".

PART II. CURRENT OPERATIONS/GENERAL FUND

Section 2. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated are made for the fiscal year ending June 30, 1999, according to the schedule that follows. Amounts set out in brackets are reductions from General Fund appropriations for the 1998-99 fiscal year.

Current Operations - General Fund	1998-99
General Assembly	$ (500,000)

Judicial Department	9,651,068
Office of the Governor	
01. Office of the Governor	30,704
02. Office of State Budget and Management	54,703
03. Office of State Budget and Management Special Appropriations	5,200,000
04. Office of State Planning	1,293,882
05. Housing Finance Agency	2,000,000
Office of the Lieutenant Governor	25,000
Department of Secretary of State	1,326,391
Department of State Auditor	1,583,258
Department of State Treasurer	1,461,525
Department of Public Instruction	139,465,944
Department of Justice	1,687,944
Department of Administration	700,643
Department of Agriculture and Consumer Services	5,305,296
Department of Labor	220,000
Department of Insurance	1,603,259
Department of Transportation	-
Department of Environment and Natural Resources	14,423,154
Office of Administrative Hearings	277,641
Rules Review Commission	-
Department of Health and Human Services	
01. Office of the Secretary	8,878,375
02. Division of Aging	8,546,044
03. Division of Child Development	41,468,546
04. Division of Services for the Deaf and Hard of Hearing	185,000
05. Division of Social Services	(17,771,926)
06. Division of Health Services	8,646,000
07. Division of Medical Assistance	(46,433,341)

08. Division of Services for the Blind	225,000
09. Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	13,655,001
10. Division of Facility Services	750,000
11. Division of Vocational Rehabilitation Services	1,700,000
12. Division of Youth Services	1,800,000
Total Department of Health and Human Services	21,648,699
Department of Correction	(20,699,924)
Department of Commerce	
01. Commerce	17,469,825
02. Biotechnology Center	2,474,517
03. MCNC	2,000,000
04. Rural Economic Development Center	8,712,338
05. State Aid to non-State Entities	12,566,400
06. State Information Processing Services	5,871,630
Department of Revenue	12,028,589
Department of Cultural Resources	17,148,814
Department of Crime Control and Public Safety	526,802
Office of the State Controller	2,146,988
University of North Carolina - Board of Governors	
01. General Administration	(38,720)
02. University Institutional Programs	72,892,894
03. Related Educational Programs	7,177,770
04. University of North Carolina at Chapel Hill	
a. Academic Affairs	(665,108)
b. Health Affairs	(702,514)
c. Area Health Education Centers	(39,753)
05. North Carolina State University at Raleigh	
a. Academic Affairs	(355,191)
b. Agricultural Research Service	(42,451)
c. Cooperative Extension Service	(33,652)
06. University of North Carolina at	

	Greensboro	(232,914)
07.	University of North Carolina at Charlotte	(111,070)
08.	University of North Carolina at Asheville	(20,866)
09.	University of North Carolina at Wilmington	(40,663)
10.	East Carolina University	
	a. Academic Affairs	(191,207)
	b. Division of Health Affairs	(42,480)
11.	North Carolina Agricultural and Technical State University	(51,643)
12.	Western Carolina University	(70,087)
13.	Appalachian State University	(151,650)
14.	The University of North Carolina at Pembroke	(19,141)
15.	Winston-Salem State University	(20,759)
16.	Elizabeth City State University	(58,252)
17.	Fayetteville State University	(24,605)
18.	North Carolina Central University	(3,525)
19.	North Carolina School of the Arts	(12,280)
20.	North Carolina School of Science and Mathematics.	(9,897)
UNC Hospitals at Chapel Hill		(36,783)
Total University of North Carolina - Board of Governors		77,095,453
Department of Community Colleges		47,851,373
State Board of Elections		1,480,399
Debt Service		(14,179,574)
Reserve for Juvenile Justice Initiatives		17,347,487
GRAND TOTAL CURRENT OPERATIONS -- GENERAL FUND		$397,300,228

PART III. CURRENT OPERATIONS AND EXPANSION/HIGHWAY FUND

Section 3. Appropriations from the Highway Fund of the State for the maintenance and operation of the Department of Transportation, and for other purposes as enumerated, are made for the fiscal year ending June 30, 1999, according to the schedule that follows. Amounts set out in brackets are reductions from Highway Fund appropriations for the 1998-99 fiscal year.

Current Operations - Highway Fund	1998-99
Department of Transportation	
01. Administration	$ 14,219,314
02. Operations	-
03. Construction and Maintenance	
a. Construction	
(01) Primary Construction	-
(02) Secondary Construction	(2,050,000)
(03) Urban Construction	-
(04) Access and Public Service Roads	-
(05) Discretionary Fund	-
(06) Spot Safety Construction	-
b. State Funds to Match Federal Highway Aid	(33,153,153)
c. State Maintenance	23,351,652
d. Ferry Operations	-
e. Capital Improvements	4,070,348
f. State Aid to Municipalities	(2,050,000)
g. State Aid for Public Transportation and Railroads	13,400,000
h. OSHA - State	-
04. Governor's Highway Safety Program	-
05. Division of Motor Vehicles	974,653
06. Reserves and Transfers	(24,766,933)
GRAND TOTAL CURRENT OPERATIONS/ HIGHWAY FUND	$ (6,004,119)

PART IV. HIGHWAY TRUST FUND

Section 4. Appropriations from the Highway Trust Fund are made for the fiscal year ending June 30, 1999, according to the schedule that follows. Amounts set out in brackets are reductions from Highway Trust Fund appropriations for the 1998-99 fiscal year.

Highway Trust Fund	1998-99
01. Intrastate System	($ 20,194,558)
02. Secondary Roads Construction	(393,452)
03. Urban Loops	(8,165,838)
04. State Aid - Municipalities	(2,118,880)
05. Program Administration	143,380
GRAND TOTAL/HIGHWAY TRUST FUND	($ 30,729,348)

PART V. BLOCK GRANTS

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary, Howard, Berry, Holmes, Esposito, Creech, Crawford

DHHS BLOCK GRANT PROVISIONS

Section 5. (a) Appropriations from federal block grant funds are made for the fiscal year ending June 30, 1999, according to the following schedule:

COMMUNITY SERVICES BLOCK GRANT		
01.	Community Action Agencies	$ 11,573,346
02.	Limited Purpose Agencies	642,964
03.	Department of Health and Human Services to administer and monitor the activities of the Community Services Block Grant	642,964
TOTAL COMMUNITY SERVICES BLOCK GRANT		$ 12,859,274
SOCIAL SERVICES BLOCK GRANT		
01.	County departments of social services	$ 30,395,663
02.	Allocation for in-home services provided by county departments of social services	2,101,113
03.	Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	4,764,124
04.	Division of Services for the Blind	3,205,711
05.	Division of Youth Services	950,674
06.	Division of Facility Services	343,341
07.	Division of Aging - Home and Community Care Block Grant	5,769,190
08.	Child Care Subsidies	10,971,241
09.	Division of Vocational Rehabilitation - United Cerebral Palsy	71,484
10.	State administration	1,954,237
11.	Child Medical Evaluation Program	238,321
12.	Adult day care services	2,255,301
13.	County departments of social services for child abuse/prevention and permanency planning	394,841

14.	Transfer to Preventive Health Block Services Grant for emergency medical services	213,128
15.	Transfer to Preventive Health Block Services Grant for AIDS education, counseling, and testing	66,939
16.	Department of Administration for the N.C. Commission of Indian Affairs In-Home Services Program for the elderly	203,198
17.	Division of Vocational Rehabilitation - Easter Seals Society	116,779
18.	UNC-CH CARES Program for training and consultation services	247,920
19.	Allocation to the Adolescent Pregnancy Prevention Program	239,261
20.	Office of the Secretary - Office of Economic Opportunity for N.C. Senior Citizens' Federation for outreach services to low-income elderly persons	41,302
21.	County departments of social services for child welfare improvements	2,211,687
22.	Transfer from TANF - Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for juvenile offenders	1,182,280
23.	Transfer from TANF - Enhanced Employee Assistance Program	1,000,000
24.	Division of Social Services - Child Caring Institutions	1,500,000
25.	Division of Mental Health, Developmental Disabilities, and Substance Abuse Services - Developmentally Disabled Waiting List for services	6,000,000
TOTAL SOCIAL SERVICES BLOCK GRANT		$ 76,437,735

LOW-INCOME ENERGY BLOCK GRANT

01.	Energy Assistance Programs	$ 6,350,240

02.	Crisis Intervention	6,461,000
03.	Administration	1,443,572
04.	Department of Commerce - Weatherization Program	4,171,960
05.	Department of Administration - N.C. Commission of Indian Affairs	33,228
TOTAL LOW-INCOME ENERGY BLOCK GRANT		$ 18,460,000

MENTAL HEALTH SERVICES BLOCK GRANT

01.	Provision of community-based services in accordance with the Mental Health Study Commission's Adult Severe and Persistently Mentally Ill Plan	$ 3,794,179
02.	Provision of community-based services in accordance with the Mental Health Study Commission's Child Mental Health Plan	1,819,931
03.	Administration	624,231
TOTAL MENTAL HEALTH SERVICES BLOCK GRANT		$ 6,238,341

SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT

01.	Provision of community-based alcohol and drug abuse services, tuberculosis services, and services provided by the Alcohol, Drug Abuse Treatment Centers	$ 11,502,939
02.	Continuation of services for pregnant women and women with dependent children	5,065,766
03.	Continuation and expansion of services to IV drug abusers and others at risk for HIV diseases	4,843,456
04.	Provision of services in accordance with the Mental Health Study Commission's Child and Adolescent Alcohol and Other Drug Abuse Plan	5,964,093

05.	Services for former SSI recipients	1,123,757
06.	Juvenile Services - Family Focus	893,811
07.	Juvenile offender services and substance abuse pilot	300,000
08.	Administration	2,171,228
TOTAL SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT		$ 31,865,050

CHILD CARE AND DEVELOPMENT BLOCK GRANT

01.	Before and After School Child Care Programs and Early Childhood Development Programs	$845,598
02.	Quality improvement activities	752,281
TOTAL CHILD CARE AND DEVELOPMENT BLOCK GRANT		$ 1,597,879

CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT

01.	Child care subsidies	$108,625,251
02.	Quality and availability initiatives	4,774,736
03.	Administrative expenses	5,968,420
04.	Transfer from TANF Block Grant for child care subsidies	66,669,460
05.	Transfer from TANF Block Grant for three child care centers at community colleges	500,000
TOTAL CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT		$186,537,867

TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) BLOCK GRANT

01.	Work First Cash Assistance:	
	Standard Counties	$158,500,000
	Electing Counties	43,787,170
02.	Work First County Block Grants	60,056,503
03.	Transfer to Child Care and Development Fund Block Grant for three child	

	care centers at community colleges	500,000
04.	Transfer to the Child Care and Development Fund Block Grant for child care subsidies	66,669,460
05.	Allocation to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for Work First substance abuse treatment services and drug testing	2,000,000
06.	Allocation to the Division of Social Services for evaluation	1,000,000
07.	Allocation to the Division of Social Services for State and county staff development	500,000
08.	Reduction of out-of-wedlock births	1,600,000
09.	Allocation to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for screening, diagnostic, and counseling services related to substance abuse services for Work First participants	2,300,000
10.	Transfer to the Social Services Block Grant for substance abuse services for juveniles	1,182,280
11.	Transfer to the Social Services Block Grant to establish the Special Children Adoption Fund	300,000
12.	Employment Security Commission - First Stop Employment Assistance	1,100,000
13.	Transfer to Social Services Block Grant - Enhanced Employee Assistance Program	1,000,000
14.	Employment Security Commission - Expansion of First Stop Employment Assistance	19,000,000
15.	Planning for "Next Step" for TANF children and families	150,000
16.	Work First Substance Abuse Coordinator in Division of Mental Health, Developmental	

	Disabilities, and Substance Abuse Services	75,000
17.	Work First Job Retention and Follow-up Initiatives	1,777,529
18.	Work First Substance Abuse Model Programs	900,000
19.	Allocation to the Division of Women's and Children's Health for teen pregnancy prevention	2,000,000
20.	Transfer to Social Services Block Grant	11,353,956
21.	Allocation for Employment Security Commission for the Labor Market and Common Follow-Up Systems and the NC WORKS Study	500,000
TOTAL TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) BLOCK GRANT		$376,251,898

MATERNAL AND CHILD HEALTH BLOCK GRANT

01.	Healthy Mother/Healthy Children Block Grants to Local Health Departments	$ 9,838,074
02.	High Risk Maternity Clinic Services, Perinatal Education and Training, Childhood Injury Prevention, Public Information and Education, and Technical Assistance to Local Health Departments	1,722,869
03.	Services to Children With Special Health Care Needs	4,969,002
TOTAL MATERNAL AND CHILD HEALTH BLOCK GRANT		$ 16,529,945

PREVENTIVE HEALTH SERVICES BLOCK GRANT

01.	Transfer from Social Services Block Grant - Emergency Medical Services	$ 213,128
02.	Hypertension and Statewide Health Promotion Programs	3,320,637

03.	Dental Health for Fluoridation of Water Supplies	213,308
04.	Rape Prevention and Rape Crisis Programs	190,134
05.	Rape Prevention and Rape Education	1,144,957
06.	Transfer from Social Services Block Grant - AIDS/HIV Education, Counseling, and Testing	66,939
07.	Office of Minority Health and Minority Health Council	177,442
08.	Administrative and Indirect Cost	207,210
TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT		$ 5,533,755

(b) Decreases in Federal Fund Availability - Decreases in federal fund availability in all block grants except the TANF Block Grant, the Social Services Block Grant, the Maternal and Child Health Block Grant, and the Preventive Health Services Block Grant shall be reduced as follows: if federal funds are reduced below the amounts specified above after the effective date of this act, then every program in each of the federal block grants listed above shall be reduced by equal percentages to total the reduction in federal funds.

Decreases in federal fund availability in the Social Services Block Grant shall be allocated as follows: if funds are decreased by less than ten percent (10%) of the amounts appropriated in this section, then every program shall be reduced pro rata. If funds are decreased by ten percent (10%) or more of the amounts appropriated in this section, then the Department of Health and Human Services shall allocate these decreases giving priority first to those direct services mandated by State or federal law, then to those programs providing direct services that have demonstrated effectiveness in meeting the federally and State mandated services goals established for the Social Services Block Grant. The Department shall not include transfers from TANF in any calculations of reductions to the Social Services Block Grant.

The Department of Health and Human Services shall cooperate with all other State and local agencies and public and private entities (i) that are impacted by the Social Services or the TANF Block Grant and (ii) that will be affected by future reductions in the Social Services Block Grant in the preparation of a State/local report, setting out concrete plans for dealing with future cuts in the Social Services Block Grant. The Department shall present this report to the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources by April 1, 1999.

If the United States Congress reduces the amount of TANF funds below the amounts specified above after the effective date of this act, then the Department shall reduce every item in the TANF Block Grant section listed above pro rata. Any TANF funds appropriated by the United States Congress in addition to the funds specified in this act shall not be expended until appropriated by the General Assembly. Any TANF Block

Grant fund changes shall be reported to the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources and to the Fiscal Research Division.

Decreases in federal fund availability shall be allocated for the Maternal and Child Health and Preventive Health Services federal block grant as follows: if federal funds are reduced less than ten percent (10%) below the amounts specified above after the effective date of this act, then every program in the Maternal and Child Health and in the Preventive Health Services Block Grants shall be reduced by the same percentage as the reduction in federal funds. If federal funds are reduced by ten percent (10%) or more below the amounts specified above after the effective date of this act, then for the Maternal and Child Health and the Preventive Health Services Block Grants the Department of Health and Human Services shall allocate the decrease in funds after considering the effectiveness of the current level of services.

(c) Increases in Federal Fund Availability -

Any increases in the Community Services Block Grant and the Low-Income Energy Block Grant Funds Grant shall be expended as follows: any block grant funds appropriated by the United States Congress in addition to the funds specified in this act shall be expended by the Department of Health and Human Services, provided that the resultant increases are in accordance with federal block grant requirements, by allocating the additional funds for direct services only among the programs funded in this section.

Any block grant funds appropriated by the United States Congress for the Social Services Block Grant in addition to the funds specified in this act shall be expended by the Department of Health and Human Services, provided the resultant increases are in accordance with federal block grant requirements, as follows:

(1) Fifty percent (50%) of the funds shall be allocated to the county departments of social services for mandatory services; and

(2) The remaining fifty percent (50%) shall be allocated for direct services only among the programs funded in this section.

The Child Care and Development Fund Block Grant funds appropriated by the United States Congress in addition to the funds specified in this act shall be expended by the Department of Health and Human Services, provided the resultant increases are in accordance with federal block grant requirements and are within the scope of the block grant plan approved by the General Assembly.

Any block grant funds appropriated by the Congress of the United States for the Maternal and Child Health Block Grant and the Preventive Health Services Block Grant in addition to the funds specified in this act shall be expended as follows:

(1) For the Maternal and Child Health Block Grant -- Thirty percent (30%) of these additional funds shall be allocated to services for children with special health care needs and seventy percent (70%) shall be allocated to local health departments to assist in the reduction of infant mortality.

(2) For the Preventive Health Services Block Grants -- These additional funds may be budgeted by the appropriate department, with the approval of the Office of State Budget and Management, after considering the effectiveness of the current level of services and the effectiveness of services to be funded by the increase, provided the resultant increases are in accordance with federal block grant requirements and are within the scope of the block grant plan approved by the General Assembly.

(d) Changes to the budgeted allocations to the Block Grants appropriated in this act due to decreases or increases in federal funds shall be reported to the Joint

Legislative Commission on Governmental Operations, the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources and to the Fiscal Research Division.

(e) Limitations on Preventive Health Services Block Grant Funds - Twenty-five percent (25%) of funds allocated for Rape Prevention and Rape Education shall be allocated as grants to nonprofit organizations to provide rape prevention and education programs targeted for middle, junior high, and high school students.

If federal funds are received under the Maternal and Child Health Block Grant for abstinence education, pursuant to section 912 of Public Law 104-193 (42 U.S.C. § 710), for the 1998-99 fiscal year, then those funds shall be transferred to the State Board of Education to be administered by the Department of Public Instruction. The Department shall use the funds to establish an Abstinence Until Marriage Education Program and shall delegate to one or more persons the responsibility of implementing the program and G.S. 115C-81(e1)(4). The Department shall carefully and strictly follow federal guidelines in implementing and administering the abstinence education grant funds.

(f) The sum of one million dollars ($1,000,000) appropriated in this section to the Department of Health and Human Services, Division of Social Services, in the TANF Block Grant for the 1998-99 fiscal year for evaluation shall be used:

(1) To evaluate the Work First Program to assess the success of the current waiver program in effect until the General Assembly's approval of the new TANF State Plan in order to determine the impact on TANF recipients and their children. The Department shall contract with an independent consultant to develop an evaluation design that shall ensure that the evaluation includes an assessment of the impact of the Program on the economic security and health of children and families, child abuse and neglect, caseloads for child protective services and foster care, school attendance, and academic and behavioral performance. The Department shall report the results of this evaluation study, together with any recommendations, to the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources by March 1, 1999; and

(2) To contract with an independent consultant with expertise in evaluating large social programs to plan and design an evaluation of the Work First Program established by Part 2 of Article 2 of Chapter 108A of the General Statutes that will come into full effect upon the approval of the new TANF State Plan. The evaluation plan and design shall ensure that the evaluation includes an assessment of the impact of the Program on the economic security and health of children and families, child abuse and neglect, caseloads for child protective services and foster care, school attendance, and academic and behavioral performance. The independent consultant shall report on the evaluation plan and design to the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources by April 1, 1999.

(g) The sum of one hundred fifty thousand dollars ($150,000) appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, in this section in the TANF Block Grant for the 1998-99 fiscal year for "Next Step" shall be used to develop a substance abuse program plan that meets the specialized substance abuse services needs of

TANF children and their families. This plan shall include a strong evaluation model/design to assess services' effectiveness in order to facilitate decision making regarding expansion of the program. The Department shall report on this plan, together with any recommendations, to the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources no later than April 1, 1999.

(h) The sum of one million seven hundred seventy-seven thousand five hundred twenty-nine dollars ($1,777,529) appropriated to the Department of Health and Human Services, Division of Social Services, in this section in the TANF BLock Grant in the 1998-99 fiscal year for the Work First job retention and follow-up model programs shall be used to implement pilots and strategies that support TANF recipients in attaining and maintaining self-sufficiency through job retention, family support services, pre- and post-TANF follow-up. The pilots and strategies shall be developed with a strong evaluation component that looks at outcomes such as child/family well-being, family economic progress, and in consultation with local departments of social services, area mental health programs, the Employment Security Commission, workforce development boards, businesses, institutions of higher education, advocacy groups, and faith communities. The Department shall report on its progress in developing and implementing these pilots and strategies to the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources by April 1, 1999.

(i) The sum of two million dollars ($2,000,000) appropriated to the Department of Health and Human Services, Division of Women's and Children's Health, in this section in the TANF Block Grant for the 1998-99 fiscal year for teen pregnancy prevention shall be used to develop and implement local programs and initiatives aimed at reducing teen pregnancy. The programs developed with these funds shall be based on model programs that have been proven successful by extensive evaluation. The programs and initiatives shall include:

(1) Adolescent parenting programs;

(2) Adolescent pregnancy prevention programs;

(3) Local coalition programs combining adolescent parenting and adolescent pregnancy prevention components;

(4) Teen care coordination projects;

(5) A media campaign to raise awareness of teens and their parents.

(j) The sum of one million three hundred thousand dollars ($1,300,000) appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, for the 1998-99 fiscal year shall be allocated to county departments of social services for hiring or contracting for additional child protective services, foster care, and adoption worker and supervisor positions created effective January 1, 1997, based upon a formula which takes into consideration the number of child protective services, foster care, and adoption cases, and child protective services, foster care, and adoption workers and supervisors necessary to meet recommended standards adopted by the North Carolina Association of County Directors of Social Services. No local match shall be required as a condition for receipt of these funds.

(k) The sum of nine hundred eleven thousand six hundred eighty-seven dollars ($911,687) appropriated in this section in (i) the Social Services Block Grant and (ii) in the TANF Block Grant transferred to the Social Services Block Grant to the Department of Health and Human Services, Special Children Adoption Fund, for the 1998-99 fiscal year shall be used to implement this subsection. Of the monies in the

Special Children Adoption Fund, the Department shall award a minimum of four hundred thousand dollars ($400,000) to licensed private adoption agencies. The Department of Health and Human Services, Division of Social Services, in consultation with the North Carolina Association of County Directors of Social Services and representatives of licensed private adoption agencies, shall develop guidelines for the awarding of funds to licensed public and private adoption agencies upon successful placement for adoption of children described in G.S. 108A-50 and in foster care. Payments received from the Special Children Adoption Fund by participating agencies shall be used to enhance the adoption services program. No local match shall be required as a condition for receipt of these funds.

The Department of Health and Human Services, Division of Social Services, shall evaluate the cost-effectiveness of county departments of social services and licensed public and private adoption agencies in placing children who are in the custody of the county departments of social services and report the results of this evaluation by May 1, 1999, to the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources.

(l) If funds appropriated through the Child Care and Development Fund, which includes the Child Care and Development Block Grant, for any program cannot be obligated or spent in that program within the obligation or liquidation periods allowed by the federal grants, the Department may move funds to other programs, in accordance with federal requirements of the grant, in order to use the federal funds fully.

(m) The sum of five hundred thousand dollars ($500,000) appropriated in this section in the TANF Block Grant to the Department of Health and Human Services for the 1998-99 fiscal year and transferred to the Child Care and Development Fund Block Grant for transfer to the Department of Community Colleges shall be used to continue the three model early childhood education centers in three community colleges, one in the eastern part of the State, one in the western part of the State, and one in the Piedmont.

(n) The sum of six million dollars ($6,000,000) appropriated in the Social Services Block Grant to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, Department of Health and Human Services, for services for the Developmentally Disabled waiting list shall be used for the 1998-99 fiscal year to provide person-centered and family support services to developmentally disabled individuals who are not eligible for the Medicaid Community Alternative Program for Mentally Retarded/Developmentally Disabled persons and who are on the Department's waiting list for services.

(o) The sum of one million five hundred thousand dollars ($1,500,000) appropriated in this act in the TANF Block Grant and transferred to the Social Services Block Grant for the Division of Social Services for Child Caring Institutions for the 1998-99 fiscal year shall be allocated to the following private nonprofit child-caring agencies as State Private Child Caring Institution Grant-in-Aid:

(1) Agape House, Inc. (McDowell County)
(2) Ashe Youth Services, Inc. (Ashe County)
(3) Haven House, Inc. (Wake County)
(4) Phoenix Group Homes, Inc. (Burke County)
(5) Rutherford Youth Services (Rutherford County)
(6) Watauga - Avery Youth Services, Inc. (Watauga County)
(7) Wilkes County Group Homes, Inc. (Wilkes County)
(8) Ebenezer Gardens Christian Childrens Home (Wilkes County)
(9) Emergency Child Care Homes of Iredell County, Inc. (Iredell County)

(10) Family Center, Inc. (Mecklenburg County)
(11) LifeGains, Inc. (Burke County)
(12) Mountain Youth Resources, Inc. (Jackson County)
(13) The Presbyterian Home for Children, of Black Mountain, North Carolina (Buncombe County)
(14) Rainbow Center for Wilkes, Inc. (Wilkes County)
(15) Volunteer Families for Children of NC, Inc. (Wake County)
(16) Youth Focus, Inc. (Guilford County)
(17) Youth Opportunities, Incorporated (Forsyth County)
(18) Youth Unlimited, Inc. (Guilford County).

Funds allocated under this section shall be used to provide reimbursement for the State portion of the cost of care for the placement of certain children by the county department of social services who are not eligible for IV-E or other federal subsidies. Funds allocated under this subsection shall be combined with all other funds allocated to the State Private Child Caring Institution Grant-in-Aid Fund for payment to private child-caring institutions for the provision of care and services, and the 18 agencies named in this subsection shall be added to the list of agencies eligible to share proportionately in the child-caring institution grant-in-aid funds in accordance with rules adopted by the Social Services Commission pertaining to payments of grants-in-aid to private child-caring institutions. Any future request for child-caring institution grant-in-aid to the 18 private child-caring agencies designated in this subsection shall be submitted as part of the requests of other eligible private child-caring institutions according to the rules adopted by the Social Services Commission pertaining to payments of grants-in-aid to private child-caring institutions.

(p) The sum of one million dollars ($1,000,000) appropriated in this section in the TANF Block Grant and transferred to the Social Services Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall be used for the Enhanced Employee Assistance Program, to implement a grant program of financial incentives for private businesses employing former and current Work First recipients. These grants may supply funds to private employers who agree to hire former or current Work First recipients or their spouses at entry level positions and wages and to supply enhanced grant funds to private employers who agree to hire former or current Work First recipients or their spouses at a level higher than entry level positions, paying more than the minimum wage, including fringe benefits. The Department of Health and Human Services shall report on the use of these funds to the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources and to the Fiscal Research Division by April 1, 1999.

(q) The funds appropriated in the TANF Block Grant and allocated to counties as Work First County Block Grants may be (i) used directly to fund Work First recipients' child care and (ii) transferred to the State's Child Care and Development Fund Block Grant for child care subsidies.

(r) It is the intent of the General Assembly to promote State and local activities that facilitate the success of the Work First Program and assist Work First recipients and families in attaining self-sufficiency. It is the policy of the General Assembly that the Department of Health and Human Services allow maximum flexibility in the Work First Program while ensuring that counties comply with federal and State law, regulations, and rules and meet the overall goals of the Work First Program, including federal work participation rates. The General Assembly strongly encourages counties to allocate the flexible Work First County Block Grant funds made available to

them through the TANF Block Grant appropriated in this section for child care services needed to ensure continued success of welfare reform.

(s) The sum of nine hundred thousand dollars ($900,000) appropriated in the TANF Block Grant to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services in this section for services for Work First recipients shall be allocated to TROSA Therapeutic Community, FIRST Therapeutic Community, when these programs become licensed by the State, and other related licensed substance abuse services for start-up and support costs for Work First recipients and their families.

(t) Notwithstanding the amounts specified in this section for the components of the Temporary Assistance for Needy Families (TANF) Block Grant, the Department may expend TANF Block Grant funds during the first quarter of the 1998-99 fiscal year for the same purposes for which those funds were expended during the last quarter of the fiscal year ending June 30, 1998.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

NER BLOCK GRANT FUNDS

Section 5.1. (a) Appropriations from federal block grant funds are made for the fiscal year ending June 30, 1999, according to the following schedule:

COMMUNITY DEVELOPMENT BLOCK GRANT

01.	State Administration	$ 980,000
02.	Urgent Needs and Contingency	1,277,400
03.	Community Empowerment	2,767,700
04.	Economic Development	8,516,000
05.	Community Revitalization	28,528,600
06.	State Technical Assistance	440,000
07.	Housing Development	1,490,300
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT - 1999 Program Year		$ 44,000,000

(b) Decreases in Federal Fund Availability

Decreases in federal fund availability for the Community Development Block Grants -- If federal funds are reduced below the amounts specified above after the effective date of this act, then every program in each of these federal block grants shall be reduced by the same percentage as the reduction in federal funds.

(c) Increases in Federal Fund Availability for Community Development Block Grant

Any block grant funds appropriated by the Congress of the United States in addition to the funds specified in this section shall be expended as follows: -- Each program category under the Community Development Block Grant shall be increased by the same percentage as the increase in federal funds.

(d) Limitations on Community Development Block Grant Funds -- Of the funds appropriated in this section for the Community Development Block Grant, the following shall be allocated in each category for each program year: up to nine hundred eighty thousand dollars ($980,000) may be used for State administration; up to one million two hundred seventy-seven thousand four hundred dollars ($1,277,400) may be used for Urgent Needs and Contingency; up to two million seven hundred sixty-seven thousand seven hundred dollars ($2,767,700) may be used for Community Empowerment; up to eight million five hundred sixteen thousand dollars ($8,516,000) may be used for Economic Development; not less than twenty-eight million five hundred twenty-eight thousand six hundred dollars ($28,528,600) shall be used for Community Revitalization; up to four hundred forty thousand dollars ($440,000) may be used for State Technical Assistance; up to one million four hundred ninety thousand three hundred dollars ($1,490,300) may be used for Housing Development. If federal block grant funds are reduced or increased by the Congress of the United States after the effective date of this act, then these reductions or increases shall be allocated in accordance with subsection (b) or (c) of this section, as applicable.

(e) Scattered Sites Program Improvements -- The Department shall implement improvements to the system for distributing Scattered Sites awards in the Community Revitalization category to maximize funding opportunities. The Department shall make changes in the funding cycle for Scattered Sites projects, shall reduce the cap on grants for these projects to three hundred fifty thousand dollars ($350,000), and shall increase funding allocations by up to fifteen percent (15%) to address outhouses and other critical on-site water/wastewater needs. The Department may adopt temporary rules to implement these changes.

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford

CONTINUING BUDGET ACT/CONFORMING CHANGE

Section 5.2. Section 2 of S.L. 1998-23 is repealed.

PART VI. GENERAL FUND AND HIGHWAY FUND AVAILABILITY STATEMENTS

GENERAL FUND AVAILABILITY STATEMENTS

Section 6. The General Fund and availability used in developing the 1998-99 budget is shown below:

		($ Millions)
01.	Composition of the 1998-99 beginning availability:	
	a. Revenue collections unaddressed in 1997-98	$ 121.5
	b. Revenue collections in 1997-98 in excess of authorized estimates	533.5
	c. Unexpended appropriations during 1997-98 (reversions)	94.7
	d. Adjustment for Emergency Appro./Yr. 2000 Conversion	(20.5)
	Beginning Credit Balance	729.2
02.	Earmarked Transfers from Credit Balance:	
	a. Transfer to Savings Reserve	(21.6)
	b. Transfer for Reserve for Repairs & Renovations	(145.0)
	c. Transfer to Clean Water Management Reserve	(47.4)

	d. Transfer to Reserve for Bailey/Emory/Patton Cases Refunds	(400.0)
	Total Transfers	(614.0)
03.	Beginning Unrestricted Fund Balance	115.2
04.	Revenues Based on Existing Tax Structure:	
	a. Tax Revenues Originally Projected	11,547.7
	Additional Projected Tax Revenue	256.3
	Total Tax Revenues	11,804.0
	b. Tax Changes:	
	(01) Repeal Food Tax Effective May 1, 1999	(18.4)
	(02) Repeal Income Tax on Retired Gov't. Emp. (Bailey Case)	(128.6)
	(03) Continue Earmarked Refund for Federal Retirees	(35.5)
	(04) No Tax on Gas Cities (S.L. 1998-22)	(1.3)
	(05) Economic Opportunities Act of 1998 (S.L. 1998-55)	(2.2)
	(06) Simplify Privilege License Tax (S.L. 1998-95)	1.5
	(07) Expand Amusement Tax Exemption (S.L. 1998-96)	(0.03)
	(08) Revenue Laws Technical Changes (S.L. 1998-98)	-
	(09) Make Tax Credits Constitutional (S.L. 1998-100)	(0.6)
	(10) Repeal Wholesale License (S.L. 1998-121)	(1.3)
	(11) Increase Sales Tax Filing Threshold (S.L. 1998-121)	(-)
	(12) Poultry Composting Tax Credit (S.L. 1998-134)	(0.03)
	(13) Limit Nonresident Withholding (S.L. 1998-162)	(7.0)
	(14) IRC Update Loss Carryforward (S.L. 1998-171)	(7.0)
	(15) Extend Submerged Lands Claims (S.L. 1998-179)	-
	(16) Non-Itemizer Charity Credit (S.L. 1998-183)	-
	(17) No Tax on Pay Phones (HB 1126)	-
	(18) Repeal Inheritance Tax	
	(19) School Sales Tax Refunds	
	(20) Corporate Dividend Technical Changes	
	(21) Long-Term Care Insurance (HB 74)	-
	(22) Revenue Penalties Uniform	-
	(23) Qualified Business Credit Sunset Extension	
	(24) Modify Qualified Credit for Movie Industry	

(25) Conservation Easement Tax Credit (HB 1491)	
(26) Modify Controlled Substance Tax (SB 1554)	.7
Total Tax Changes	(199.76)
c. Non-Tax Revenues	472.4
Additional Non-Tax Revenue:	
Treasurer's Banking Division	1.1
Secretary of State Fees	.3
DHHS-Certificate of Need Fees	1.5
Fed. Retiree Refund Program-Administration	0.7
Intangibles Tax Reserve Balance	7.4
Fed. Retiree Refund Reserve Balance	9.7
Transfer from Insurance Regulatory Fund	2.1
Disaster Relief Reserve Reversion	1.0
Total Non-Tax Revenues	496.2
d. Disproportionate Share Receipts	85.0
1997-98 Reserved DSH Receipts	35.4
Total DSH Receipts	120.4
e. Highway Trust Fund Transfer	170.0
f. Highway Fund Transfer Sales Tax	13.4
TOTAL GENERAL FUND AVAILABILITY	$ 12,519.44
TOTAL 1998-99 APPROPRIATIONS BY 1997 AND 1998 EXTRA SESSION	$ 11,547.6
Appropriations by 1998 Session for 1998-99	
SB 879 Salary Increases/Retirement (S.L. 1998-0153)	342.10
SB 1262-Redistricting Plan Legal Fees (S.L. 1998-0164)	0.60
HB 900 Federal Match Required (S.L. 1998-0166)	57.10
SB 1366, Current Operations, Section 2	397.30
SB 1366, Capital Improvements, Section 29	174.50
Subtotal Appropriations by 1998 Session for 1998-99	971.60
TOTAL 1998-99 APPROPRIATIONS	12,519.20

HIGHWAY FUND AVAILABILITY

Section 6.1. The Highway Fund appropriations availability used in developing modifications to the 1998-99 Highway Fund budget contained in this act is shown below:

	1998-99
Beginning Credit Balance	$ 5,159,370
Estimated Revenue	1,224,263
TOTAL HIGHWAY FUND AVAILABILITY	$ 6,383,633

PART VII. GENERAL PROVISIONS

Requested by: Senators Odom, Plyler, Perdue, Representatives Holmes, Esposito, Creech, Crawford

CONTINGENCY AND EMERGENCY FUND ALLOCATIONS

Section 7. Section 7.2(a) of S.L. 1997-443 reads as rewritten:

"(a) Of the funds appropriated in this act to the Contingency and Emergency Fund, the sum of nine hundred thousand dollars ($900,000) for the 1997-98 fiscal year and the sum of nine hundred thousand dollars ($900,000) for the 1998-99 fiscal year shall be designated for emergency allocations, which are ~~for the purposes outlined in G.S. 143-23(a1)(3), (4), and (5).~~ for expenditures:

(1) Required by a court, Industrial Commission, or administrative hearing officer's order or award or to match unanticipated federal funds;

(2) Required to respond to an unanticipated disaster such as a fire, hurricane, or tornado; or

(3) Required to call out the National Guard.

Two hundred twenty-five thousand dollars ($225,000) for the 1997-98 fiscal year and two hundred twenty-five thousand dollars ($225,000) for the 1998-99 fiscal year shall be designated for other allocations from the Contingency and Emergency Fund."

Requested by: Representatives Holmes, Esposito, Creech, Crawford

NATURAL DISASTER ASSISTANCE

Section 7.1. Of the unencumbered funds remaining in the Reserve for Disaster Relief for the 1997-98 fiscal year, the sum of one million dollars ($1,000,000) shall revert to the General Fund on July 1, 1998. The balance shall remain available for disaster relief including natural disasters caused by flooding, wind or tornado damage, rockslides, blizzards, drought, hurricanes, and forest fires. The balance may also be used to match federal funds or any other funds that may be made available for disaster relief.

Requested by: Representative Davis

FEDERAL FUNDS CLEARLY SHOWN

Section 7.2. G.S. 143-16.1(a) reads as rewritten:

"(a) All federal funds shall be expended and reported in accordance with provisions of the Executive Budget Act, except as otherwise provided by law. Proposed budgets recommended to the General Assembly by the Governor and Advisory Budget Commission shall include information concerning the federal expenditures in State agencies, departments and institutions in the same manner as State funds. Each budgetary category shall show the total received and anticipated State and federal expenditures, along with a description of the purpose for which the federal funds will be spent at the program level. All expenditures for the prior fiscal year and all expenditures anticipated in the proposed budget shall be reported by objects of expenditure by purpose and shall be identified by each federal grant. For the purpose of this section, `federal funds' are any financial assistance made to a State agency by the United States government, whether a loan, grant, subsidy, augmentation, reimbursement, or any other form. The Director of the Budget may adopt rules and regulations establishing uniform planning, budgeting and fiscal procedures, not inconsistent with federal law, that ensure that all federal funds shall be expended in a standardized manner. The function of the Advisory Budget Commission under this section applies only if the Director of the Budget consults with the Commission in preparation of the budget."

PART VIII. RESERVES

Requested by: Senators Cooper, Plyler, Perdue, Odom, Lucas, Representatives Neely, Holmes, Esposito, Creech, Crawford

JUVENILE JUSTICE RESERVE

Section 8.1. (a) There is established in the Office of State Budget and Management a reserve fund entitled the "Juvenile Justice Reserve Fund" to provide funds to implement the recommendations of the Governor's Commission on Juvenile Crime and Justice, which are set forth in ratified Senate Bill 1260 of the 1997 General Assembly and entitled "Juvenile Justice Reform Act", if enacted (hereinafter in this section referred to as "Senate Bill 1260"). The Director of the Budget shall allocate the funds appropriated in this act for the Juvenile Justice Reserve Fund in the amount of seventeen million three hundred forty-seven thousand four hundred eighty-seven dollars ($17,347,487) as follows:

(1) $1,000,000 nonrecurring to the Department of Health and Human Services, Division of Youth Services, for planning and design of 208 new training school beds and related support facilities.

(2) $32,980 nonrecurring and $484,444 recurring to the Department of Health and Human Services, Division of Youth Services, to make permanent 32 beds at Umstead Detention Center, effective January 1, 1999.

(3) $4,800,000 nonrecurring to the Department of Health and Human Services, Division of Youth Services, for two 24-bed detention units. Consideration shall be given to the renovation of existing GPAC units for either or both units. Any funds remaining after allocation of funds for construction of new units or renovation of any GPAC units shall be used for planning and design of an additional 24-bed detention unit, for which the General Assembly intends to appropriate construction funds. Site selection of detention beds shall be based on the need for additional beds in the particular area of the State.

(4) $700,000 nonrecurring to the Department of Health and Human Services, Division of Youth Services, to construct a new modular Eckerd Wilderness Camp.

(5) $517,000 recurring to the Department of Health and Human Services, Division of Youth Services, to contract for construction or lease of and the operation of up to four new eight-bed multi-purpose juvenile homes, effective April 1, 1999.

(6) $3,688,548 nonrecurring and $1,823,442 recurring to the Department of Health and Human Services, Division of Youth Services, for local grant funds. In awarding grants from these funds, priority shall be given to local substance abuse-related services, local home-based family services programs, and juvenile day reporting centers, referenced in Section 22 of Senate Bill 1260.

(7) $100,000 nonrecurring to the Department of Health and Human Services, Division of Youth Services, to study the At-Risk Assessment System established in Section 26 of Senate Bill 1260.

(8) $50,000 nonrecurring to the Department of Health and Human Services, Division of Youth Services, for the Substance Abuse Prevention Plan established in G.S. 147-33.47.

(9) $563,298 nonrecurring and $930,427 recurring to the Judicial Department, Juvenile Services Division, for 100 court counselors, six court counselor supervisors, and 20 juvenile court secretaries. Positions

for 50 counselors, three supervisors, and 10 secretary positions shall become effective April 1, 1999. The remaining positions shall become effective June 1, 1999.

(10) $100,000 recurring to the Judicial Department, Juvenile Services Division, to provide funds to lease field monitoring units for electronic house arrest.

(11) $33,000 nonrecurring and $63,313 recurring to the Judicial Department, Juvenile Services Division, for contractual services for three sites for the Guard Response Alternate Sentencing Program established in Section 24 of Senate Bill 1260. Services shall be contracted on or after April 1, 1999.

(12) $8,626 nonrecurring and $21,206 recurring to the Judicial Department, Juvenile Services Division, for two court counselors for the On Track Program established in Section 23 of Senate Bill 1260. The positions shall become effective on or after April 1, 1999.

(13) $600,000 nonrecurring and $120,000 recurring to the Department of Justice for the juvenile justice information system established in Section 21 of Senate Bill 1260. The funds shall be used for one project coordinator and two business system analysts and for contractual funds to develop the juvenile justice information system plan and the scope and design of the system. The positions shall become effective December 1, 1998.

(14) $119,512 nonrecurring and $73,463 recurring to the Judicial Department, North Carolina Sentencing and Policy Advisory Commission, to provide contractual services and two research analyst positions to support juvenile data collection needs and update the juvenile population simulation model. The positions shall become effective December 1, 1998.

(15) $318,228 nonrecurring to the Judicial Department for three family court pilots beginning March 1, 1999, and expiring December 1, 2000, pursuant to Section 25 of Senate Bill 1260.

(16) $700,000 nonrecurring to the Department of Public Instruction for the Communities in Schools Program, a public/private partnership working with at-risk students.

(17) $500,000 nonrecurring to the Board of Governors of The University of North Carolina for the Center for the Prevention of School Violence for operating support of this research, training, and information center at North Carolina State University.

(b) Effective January 1, 1999, the Director of the Budget shall allocate funds authorized in subdivisions (1) through (12) of subsection (a) of this section to the Office of Juvenile Justice, established pursuant to G.S. 147-33.30, rather than the agencies specified in those subdivisions. Any funds allocated from the Juvenile Justice Reserve Fund to the Department of Health and Human Services or the Judicial Department prior to January 1, 1999, shall be transferred to the Office of Juvenile Justice pursuant to G.S. 147-33.31 and G.S. 147-33.32.

(c) Prior to January 1, 1999, the Department of Health and Human Services may initiate the grant application and review process for local grants, but shall not award grants from funds appropriated to the Juvenile Justice Reserve Fund. The Juvenile Crime Prevention Councils established pursuant to G.S. 147-33.49 may work in consultation with the local youth services advisory committees in existence on January 1, 1999, in

receiving grant funds during the 1998-99 fiscal year and in allocating those funds to local programs. Funds appropriated for local grants in this section to the Juvenile Justice Reserve Fund shall not revert.

(d) On or before May 1, 1999, the Office of Juvenile Justice shall submit to the Joint Legislative Commission on Governmental Operations and the Appropriations Committees of the Senate and House of Representatives a list of the recipients of the grants awarded from the Juvenile Justice Reserve Fund. The list shall include for each recipient the amount of the grant awarded, the membership of the local committee or council administering the award funds on the local level, and a description of the local services, programs, or projects that will receive funds. A written copy of the list and other information regarding the projects shall also be sent to the Fiscal Research Division of the General Assembly.

(e) Funds appropriated in this act to the Juvenile Justice Reserve Fund for the 1998-99 fiscal year may be used as matching funds for the Juvenile Accountability Incentive Block Grants. If North Carolina receives Juvenile Accountability Incentive Block Grants, or a notice of funds to be awarded, the Office of State Budget and Management and the Governor's Crime Commission of the Department of Crime Control and Public Safety shall consult with the Office of Juvenile Justice regarding the criteria for awarding federal funds. The Office of State Budget and Management and the Governor's Crime Commission shall report to the Appropriations Committees of the Senate and House of Representatives and the Joint Legislative Commission on Governmental Operations prior to allocation of the federal funds. The report shall identify the amount of funds to be received for the 1998-99 fiscal year, the amount of funds anticipated for the 1999-2000 fiscal year, and the allocation of funds by program and purpose.

(f) The Department of Health and Human Services or the Office of Juvenile Justice, whichever is selecting sites for training school beds and detention beds, shall report to the Joint Legislative Commission on Governmental Operations prior to finalizing site selection for training school beds and detention beds authorized pursuant to this section.

(g) The Office of the Governor, in consultation with the Administrative Office of the Courts and the Division of Youth Services and the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services of the Department of Health and Human Services, shall conduct a study of the need for one or more residential treatment programs for juveniles adjudicated delinquent for an offense containing an element of inappropriate sexual conduct, including whether or not the State needs a separate facility to administer the program or programs. The Office of the Governor shall report to the Appropriations Committees of the Senate and House of Representatives on its findings and recommendations, including any legislative proposals, on or before April 1, 1999.

(h) No State or federal funds, in addition to the funds appropriated in this act, shall be expended or used for the juvenile justice information system until the Criminal Justice Information Network Governing Board submits the juvenile justice information plan developed pursuant to Section 21 of Senate Bill 1260 to the Appropriations Committees of the Senate and House of Representatives.

PART IX. PUBLIC SCHOOLS

Requested by: Senators Plyler, Perdue, Odom, Lee, Winner, Dalton, Purcell, Representatives Arnold, Grady, Preston, Oldham

ALLOCATIONS FOR PUBLIC SCHOOLS

Section 9. (a) There is allocated from unexpended 1997-98 General Fund appropriations the sum of fifty-five million twenty-seven thousand six hundred eighty dollars ($55,027,680) which shall not revert and shall be used as follows:

(1) $17,118,003 to fulfill the State's obligations to public school employees who qualified for performance bonuses for the 1997-98 school year under the ABC's of Public Education Program;

(2) $9,010,274 to fulfill the State's obligations to public school teachers who qualified for longevity payments for the 1997-98 school year;

(3) $24,199,403 to permit the State Board of Education to order school buses needed for the 1998-99 school year; and

(4) $4,700,000 for the State School Technology Fund to provide additional school technology funds prior to the beginning of the 1998-99 school year.

(b) Section 5 of S.L. 1998-23 is repealed.

Senators Winner, Lee, Plyler, Perdue, Odom, Representatives Arnold, Preston, Oldham

CERTIFIED SCHOOL NURSES/SALARY

Section 9.1. Effective for the 1998-99 school year, certified school nurses who are employed in the public schools as nurses shall be paid on the "G" salary schedule.

Senators Winner, Lee, Perdue, Dalton, Purcell, Representatives Arnold, Grady, Preston, Oldham

FUNDS TO IMPLEMENT THE ABC'S OF PUBLIC EDUCATION PROGRAM

Section 9.2. (a) Section 8.36 of S.L. 1997-443 reads as rewritten:

"Section 8.36. (a) Of the funds appropriated to State Aid to Local School Administrative Units, the State Board of Education ~~may use up to seventy-two million four hundred thousand dollars ($72,400,000) for the 1997-98 fiscal year to~~ shall provide incentive funding for schools that meet or exceed the projected levels of improvement in student performance, in accordance with the ABC's of Public Education Program. In accordance with State Board of Education policy, incentive awards in schools that achieve higher than expected improvements may be up to: (i) one thousand five hundred dollars ($1,500) for each teacher and for certified personnel; and (ii) five hundred dollars ($500.00) for each teacher assistant. In accordance with State Board of Education policy, incentive awards in schools that meet the expected improvements may be up to: (i) seven hundred fifty dollars ($750.00) for each teacher and for certified personnel; and (ii) three hundred seventy-five dollars ($375.00) for each teacher assistant.

(b) The State Board of Education may use funds appropriated to State Aid to Local School Administrative Units for assistance teams to low-performing schools."

(b) Section 6 of S.L. 1998-23 is repealed.

Requested by: Senators Winner, Lee, Dalton, Purcell, Representatives Arnold, Preston, Oldham

EXTRA PAY FOR MENTOR TEACHERS

Section 9.3. (a) Funds appropriated to State Aid to Local School Administrative Units, shall be used to provide qualified and well-trained mentors for newly certified teachers, teachers who had mentors during the 1997-98 school year, and entry-level instructional support personnel who have not previously been teachers. These funds shall be used to compensate each mentor at the rate of (i) one hundred dollars ($100.00) per month for a maximum of 10 months for serving as a mentor for a first or

second year teacher during the school year, and (ii) one hundred dollars ($100.00) for serving as a mentor for a first-year teacher for one day prior to the beginning of the school year.

(b) The State Board of Education may use funds for the mentor program to evaluate the program. The State Board shall report the results of its evaluation to the Joint Legislative Education Oversight Committee prior to March 5, 2000.

Requested by: Senators Winner, Lee, Dalton, Purcell, Representatives Arnold, Preston, Oldham

AID TO LOW-PERFORMING AND AT-RISK SCHOOLS

Section 9.4. (a) Funds appropriated for the 1998-99 fiscal year for aid to low-performing and at-risk schools shall be used to provide services to:

(1) Elementary schools and middle schools at which forty-eight percent (48%) or more of the students were below grade level during the 1996-97 and 1997-98 school years or during the 1997-98 school year;

(2) The five percent (5%) of high schools in the State that have the lowest composite scores on the ABC's accountability measures; and

(3) Those high schools identified by the State Board of Education as low performing through ABCs Program.

(b) Funds for salary-related items in the amounts of two million six hundred sixty thousand six hundred ten dollars ($2,660,610) in recurring funds and four million nine hundred five thousand four hundred five dollars ($4,905,405) in nonrecurring funds shall be used as follows:

(1) Up to ten percent (10%) of the nonrecurring funds on a statewide basis may be used for salary supplements for teachers assigned to local assessment teams; and

(2) The remainder of the funds shall be used for extra pay for extra duties for teachers for such activities as Saturday academies and after-school tutoring, for professional development, and for additional days of work outside of the 220 paid days in the school calendar. These days should be cooperatively planned by the principal and the faculty.

The Director of the Budget is encouraged to include these funds in the continuation budget for the 1999-2001 fiscal biennium.

(c) Funds for nonsalary items in the amount of two million dollars ($2,000,000) shall be used only for staff development costs and for textbooks, instructional supplies, materials, and equipment.

(d) The principal of a low-performing or at-risk school, in consultation with the faculty and the site-based management team, shall develop an initial plan for expending funds allocated in this section to improve the school. The plan shall be consistent with the plan adopted by the local board of education pursuant to G.S. 115C-105.37. The plan shall include whole-staff training. The plan shall be submitted to the local superintendent and approved by the local board prior to submission to the State Board of Education. The plan shall be revised annually.

The plan shall be reviewed and accepted or rejected by the State Board of Education within 15 days after receipt of the plan. The State Board may delegate to the State Superintendent the responsibility for accepting or rejecting the plan.

The local board shall receive the money for each school for which a plan is approved. The local board shall receive for each school for which a plan is approved a minimum of ten thousand dollars ($10,000) from the funds in subsection (c) of this section; the remainder of these funds shall be allocated on the basis of average daily

membership. The State Board of Education shall allocate funds in subsection (b) of this section on the basis of additional days for State-paid teachers at the school.

(e) The State Board of Education is encouraged to use federal funds such as Goals 2000 and Comprehensive School Reform Demonstration Grants to assist low-performing and at-risk schools.

(f) Funds allocated in subsections (b) and (c) of this section shall revert on August 31, 1999.

(g) The State Board of Education shall report to the Joint Legislative Education Oversight Committee prior to January 1, 1999, on the plans and on the use of funds for Aid to Low-Performing and At-Risk Schools.

Requested by: Senators Winner, Lee, Perdue, Representatives Arnold, Grady, Preston

ABC'S HIGH SCHOOL ACCOUNTABILITY MODEL

Section 9.5. The State Board of Education shall continue its efforts to improve the standards for determining whether high schools meet or exceed their projected levels of improvement in student performance in accordance with the ABC's of Public Education Program. The General Assembly urges the State Board to consider including in the standards (i) a measurement of improvement in individual students' performance, (ii) dropout rates, and (iii) a measurement of student enrollment and achievement in courses required for graduation, advanced placement courses, or other upper level courses.

Requested by: Senators Winner, Lee, Perdue, Representatives Arnold, Grady, Preston

PRINCIPAL SALARY STUDIES

Section 9.7. Section 8.43(d) of S.L. 1997-443 reads as rewritten:

"(d) The State Board of Education may use up to fifty thousand dollars ($50,000) of funds appropriated by this act to State Aid to Local School Administrative Units for the ~~1997-98~~ 1998-99 fiscal year to study principals' salaries ~~including the~~ including:

(1) The relationship of principals' salaries to the salaries of teachers and other certified school ~~personnel.~~ personnel;

(2) Whether the current relationship between the teacher and principal salary schedules should be increased to a three percent (3%) differential;

(3) Whether assistant principals should be given additional steps for years of experience; and

(4) The appropriate relationship of principal's salary to size of school.

The State Board of Education shall report the results of the study to the Joint Legislative Education Oversight Committee prior to ~~December 15, 1998.~~ January 1, 1999."

Requested by: Senators Cooper, Winner, Lee, Dalton, Purcell, Representatives Arnold, Grady, Preston, Oldham

COMMUNITIES IN SCHOOLS FUNDS/DO NOT REVERT

Section 9.8. Section 13(b) of S.L. 1998-23 reads as rewritten:

"(b) This section becomes effective June 30, ~~1998, and expires when the Current Operations Appropriations and Capital Improvement Appropriations Act of 1998 becomes a law.~~ 1998."

Requested by: Senators Winner, Lee, Perdue, Dalton, Purcell, Representatives Arnold, Preston, Oldham

SCHOOL ACTIVITY BUS USAGE AUTHORIZED UNDER CERTAIN CIRCUMSTANCES

Section 9.9. G.S. 66-58(c) is amended by adding a new subdivision to read:

"(9b) The use of a public school activity bus by a nonprofit corporation or a unit of local government to provide transportation services for school-aged and preschool-aged children, their caretakers, and their instructors to or from activities being held on the property of a nonprofit corporation or a unit of local government. The local board of education that owns the bus shall ensure that the person driving the bus is licensed to operate the bus and that the lessee has adequate liability insurance to cover the use and operation of the leased bus."

Requested by: Senators Winner, Lee, Dalton, Purcell, Representatives Arnold, Preston, Oldham

SCHOOL BOARD QUICK TAKE

Section 9.10. G.S. 40A-42(a) reads as rewritten:

"(a) When a local public condemnor is acquiring property by condemnation for a purpose set out in G.S. 40A-3(b)(1), (4) or (7), or when a city is acquiring property for a purpose set out in G.S. 160A-311(1), (2), (3), (4), (6), or (7), or when a county is acquiring property for a purpose set out in G.S. 153A-274(1), (2) or (3), or when a local board of education or any combination of local boards of education is acquiring property for any purpose set forth in G.S. 115C-517, or when a condemnor is acquiring property by condemnation as authorized by G.S. 40A-3(c)(8), (9), (10) or (12), title to the property and the right to immediate possession shall vest pursuant to this subsection. Unless an action for injunctive relief has been initiated, title to the property specified in the complaint, together with the right to immediate possession thereof, shall vest in the condemnor upon the filing of the complaint and the making of the deposit in accordance with G.S. 40A-41."

Requested by: Senators Winner, Lee, Dalton, Purcell, Representatives Arnold, Grady, Preston, Oldham

LITIGATION RESERVE

Section 9.11. (a) Section 14 of S.L. 1998-23 reads as rewritten:

"Section 14. (a) Funds in the State Board of Education's Litigation Reserve that are not expended or encumbered on June 30, 1998, shall not revert on July 1, 1998, but shall remain available for expenditure until ~~the Current Operations Appropriations and Capital Improvement Appropriations Act of 1998 becomes a law.~~ June 30, 1999.

(b) Subsection (a) of this section becomes effective June 30, ~~1998, and expires when the Current Operations Appropriations and Capital Improvement Appropriations Act of 1998 becomes a law.~~ 1998."

(b) The State Board of Education may expend up to five hundred thousand dollars ($500,000) for the 1998-99 fiscal year from unexpended funds for certified employees' salaries to pay expenses related to pending litigation.

Requested by: Senators Winner, Lee, Dalton, Purcell, Representatives Arnold, Grady, Preston, Oldham

EXCEPTIONAL CHILDREN FUNDS

Section 9.12. (a) The funds appropriated for exceptional children in this act shall be allocated as follows:

(1) Each local school administrative unit shall receive for academically gifted children the sum of seven hundred forty-six dollars and ninety-five cents ($746.95) per child for four percent (4%) of the 1998-99 allocated average daily membership in the local school administrative unit, regardless of the number of children identified as academically gifted in the local school administrative unit. The total number of children for which funds shall be allocated pursuant to this subdivision is 49,828 for the 1998-99 school year.

(2) Each local school administrative unit shall receive for exceptional children other than academically gifted children the sum of two thousand two hundred forty-eight dollars and thirty-nine cents ($2,248.39) per child for the lesser of (i) all children who are identified as exceptional children other than academically gifted children or (ii) twelve and five-tenths percent (12.5%) of the 1998-99 allocated average daily membership in the local school administrative unit. The maximum number of children for which funds shall be allocated pursuant to this subdivision is 147,334 for the 1998-99 school year.

The dollar amounts allocated under this subsection for exceptional children shall also increase in accordance with legislative salary increments for personnel who serve exceptional children.

(b) To the extent that funds appropriated for exceptional children other than academically gifted children are adequate to do so, the State Board of Education may allocate the excess of these funds to provide services for severely disabled children in school units and in group homes.

Requested by: Senators Winner, Lee, Dalton, Purcell, Representatives Arnold, Preston, Grady, Oldham

ALTERNATIVE SCHOOLS/AT-RISK STUDENTS

Section 9.13. The State Board of Education may use up to two hundred thousand dollars ($200,000) of the funds in the Alternative Schools/At-Risk Student allotment for the 1998-99 fiscal year to:

(1) Implement G.S. 115C-12(24), and

(2) Conduct studies of alternative schools and access to alternative schools, as required by Senate Bill 1260 as enacted by the 1998 Regular Session of the 1997 General Assembly.

Requested by: Senators Winner, Lee, Dalton, Purcell, Representatives Daughtry, Arnold, Preston, Oldham

CHARTER SCHOOLS

Section 9.14. If the projected average daily membership of schools other than charter schools in a county school administrative unit with 3,000 or fewer students is decreased by more than four percent (4%) due to projected shifts of enrollment to charter schools, the State Board of Education may use funds appropriated to State Aid to Local School Administrative Units for the 1998-99 fiscal year to reduce the loss of funds to the schools other than charter schools in the unit to a maximum of four percent (4%). This section applies to the 1998-99 fiscal year only.

Section 9.14A. (a) G.S. 115C-238.29F(e)(4) reads as rewritten:

"(4) The employees of the charter school shall be deemed employees of the local school administrative unit for purposes of providing certain State-funded employee benefits, including membership in the Teachers' and

State Employees' Retirement System and the Teachers' and State Employees' Comprehensive Major Medical Plan. The State Board of Education provides funds to charter schools, approves the original members of the boards of directors of the charter schools, has the authority to grant, supervise, and revoke charters, and demands full accountability from charter schools for school finances and student performance. Accordingly, it is the determination of the General Assembly that charter schools are public schools and that the employees of charter schools are public school ~~employees and are "teachers" for purposes of membership in the North Carolina Teachers' and State Employees' Retirement System and State Employees' Comprehensive Major Medical Plan.~~ employees. Employees of a charter school whose board of directors elects to become a participating employer under G.S. 135-5.3 are `teachers' for the purpose of membership in the North Carolina Teachers' and State Employees' Retirement System. In no event shall anything contained in this Part require the North Carolina Teachers' and State Employees' Retirement System to accept employees of a private employer as members or participants of the System."

(b) Article 1 of Chapter 135 of the General Statutes is amended by adding the following new section:

"§ 135-5.3. Optional participation for charter schools operated by private nonprofit corporations.

(a) The board of directors of each charter school operated by a private nonprofit corporation shall elect whether to become a participating employer in the Retirement System in accordance with this Article. This election shall be in writing, shall be made no later than 30 days after this section becomes law, and shall be filed with the Retirement System and with the State Board of Education. For each charter school employee who is employed on or before the date the board makes the election to participate, membership in the System is effective as of the date the board makes the election to participate. For each charter school employee who is employed after the date the board makes the election, membership in the System is effective as of the date of that employee's entry into eligible service. This subsection applies only to charter schools that received State Board of Education approval under G.S. 115C-238.29D in 1997 or 1998.

(b) No later than 30 days after both parties have signed the written charter under G.S. 115C-238.29E, the board of directors of a charter school operated by a private nonprofit corporation shall elect whether to become a participating employer in the Retirement System in accordance with this Article. This election shall be in writing and filed with the Retirement System and with the State Board of Education and is effective for each charter school employee as of the date of that employee's entry into eligible service. This subsection applies to charter schools that receive State Board of Education approval under G.S. 115C-238.29D after 1998.

(c) A board's election to become a participating employer in the Retirement System under this section is irrevocable and shall require all eligible employees of the charter school to participate.

(d) No retirement benefit, death benefit, or other benefit payable under the Retirement System shall be paid by the State of North Carolina or the Board of Trustees of the Teachers' and State Employees' Retirement System on account of employment with a charter school with respect to any employee, or with respect to any beneficiary of an

employee, of a charter school whose board of directors does not elect to become a participating employer in the Retirement System under this section.

(e) The board of directors of each charter school shall notify each of its employees as to whether the board elected to become a participating employer in the Retirement System under this section. This notification shall be in writing and shall be provided within 30 days of the board's election or at the time an initial offer for employment is made, whichever occurs last. If the board did not elect to join the Retirement System, the notice shall include a statement that the employee shall have no legal recourse against the board or the State for any possible credit or reimbursement under the Retirement System. The employee shall provide written acknowledgment of the employee's receipt of the notification under this subsection."

(c) G.S. 135-4 is amended by adding the following new subsection to read:

"(cc) Credit for Employment in Charter School Operated by a Private Nonprofit Corporation. -- Any member may purchase creditable service for any employment as an employee of a charter school operated by a private nonprofit corporation whose board of directors did not elect to participate in the Retirement System under G.S. 135-5.3 upon completion of five years of membership service after that charter school employment by making a lump-sum payment into the Annuity Savings Fund. The payment by the member shall be equal to the full liability of the service credits calculated on the basis of the assumptions used for purposes of the actuarial valuation of the Retirement System's liabilities, taking into account the additional retirement allowance arising on account of the additional service credits commencing at the earliest age at which the member could retire with an unreduced retirement allowance, as determined by the Board of Trustees upon the advice of the actuary plus an administrative expense fee to be determined by the Board of Trustees. Notwithstanding the foregoing provisions of this subsection that provide for the purchase of service credits, the terms `full cost', `full liability', and `full actuarial cost' include assumed annual postretirement allowance increases, as determined by the Board of Trustees, from the earliest age at which a member could retire on an unreduced service allowance."

(d) G.S. 135-40.1(6) reads as rewritten:

"(6) Employing Unit. -- A North Carolina School System; Community College; State Department, Agency or Institution; Administrative Office of the Courts; or Association or Examining Board whose employees are eligible for membership in a State-Supported Retirement System. An employing unit also shall mean a charter school in accordance with Part 6A of Chapter 115C of the General Statutes ~~whose employees are deemed to be public employees and members of a State-Supported Retirement System.~~ whose board of directors elects to become a participating employer in the Plan under G.S. 135-40.3A."

(e) Part 3 of Article 3 of Chapter 135 of the General Statutes is amended by adding the following new section:

"§ 135-40.3A. Optional participation for charter schools operated by private nonprofit corporations.

(a) The board of directors of each charter school operated by a private nonprofit corporation shall elect whether to become a participating employer in the Plan in accordance with this Article. This election shall be in writing, shall be made no later than 30 days after this section becomes law, and shall be filed with the Executive Administrator and Board of Trustees and with the State Board of Education. For each charter school employee who is employed on or before the date the board makes the election, membership in the Plan is effective as of the date the board makes the election.

For each charter school employee who is employed after the date the board makes the election, membership in the Plan is effective as of the date of that employee's entry into eligible service. This subsection applies only to charter schools that received State Board of Education approval under G.S. 115C-238.29D in 1997 or 1998.

(b) No later than 30 days after both parties have signed the written charter under G.S. 115C-238.29E, the board of directors of a charter school operated by a private nonprofit corporation shall elect whether to become a participating employer in the Plan in accordance with this Article. This election shall be in writing and filed with the Executive Administrator, the Board of Trustees, and the State Board of Education. This election is effective for each charter school employee as of the date of that employee's entry into eligible service. This subsection applies to charter schools that receive State Board of Education approval under G.S. 115C-238.29D after 1998.

(c) A board's election to become a participating employer in the Plan under this section is irrevocable and shall require all eligible employees of the charter school to participate.

(d) If a charter school's board of directors does not elect to become a participating employer in the Plan under this section, that school's employees and the dependents of those employees are not eligible for any benefits under the Plan on account of employment with a charter school.

(e) The board of directors of each charter school shall notify each of its employees as to whether the board elected to become a participating employer in the Plan under this section. This notification shall be in writing and shall be provided within 30 days of the board's election or at the time an initial offer for employment is made, whichever occurs last. If the board did not elect to become a participating employer in the Plan, the notice shall include a statement that the employee shall have no legal recourse against the board or the State for any possible benefit under the Plan. The employee shall provide written acknowledgment of the employee's receipt of the notification under this subsection."

(f) This section is effective when it becomes law.

Requested by: Senators Winner, Lee, Representatives Arnold, Grady, Preston

TESTING

Section 9.15. (a) Funds appropriated to the State Board of Education in the amount of two million dollars ($2,000,000) for the 1998-99 fiscal year shall be used to:

(1) Cover cost increases in end-of-grade, end-of-course, and other tests previously authorized by the SBE and the General Assembly, that are caused by increases in average daily membership;

(2) Reestablish high school end-of-course tests previously established by the State Board of Education in accordance with Section 8.27 of S.L. 1997-443;

(3) Develop new end-of-course tests required for high school, in accordance with Section 8.27 of S.L. 1997-443; and

(4) Begin the development of alternative assessments for children with special needs.

The General Assembly encourages the Director of the Budget to include these funds in the continuation budget request for the 1999-2000 fiscal year and subsequent fiscal years.

(b) G.S. 115C-174.11(c)(1) reads as rewritten:

"(1) The State Board of Education shall adopt a system of annual testing for grades three through 12. These tests shall be designed to measure progress toward reading, communication skills, and mathematics for grades three through eight, and toward competencies designated by the

State Board for grades nine through 12. Notwithstanding subsection (a) of this section, the State Board shall develop and implement a study allowing selected local school administrative units that volunteer to administer a standardized test in May, 12 months prior to the third grade end-of-grade test, in order to establish a baseline that will be used to measure academic growth at the end of third grade. Initially, the State Board shall select 12 volunteer local school administrative units that are diverse in geography and size to participate in the study. If the State Board determines that a standardized test administered in May, 12 months prior to the third grade end-of-grade test, is more reliable than a standardized test administered at the beginning of third grade for the purpose of measuring academic growth, the State Board may change the test date for additional local school units. The State Board shall report the results of the study to the Joint Legislative Education Oversight Committee by October 15, 2000.

Baseline measurements administered in May, 12 months prior to the third grade end-of-grade test, are not public records as provided in Chapter 132 of the General Statutes."

Requested by: Senators Winner, Lee, Dalton, Purcell, Representatives Arnold, Preston, Grady, Oldham

SUBSTITUTE TEACHERS

Section 9.16. (a) G.S. 115C-12(8) reads as rewritten:

"(8) Power to Make Provisions for Sick Leave and for Substitute Teachers. -- The Board shall provide for sick leave with pay for all public school employees in accordance with the provisions of this Chapter and shall promulgate rules and regulations providing for necessary substitutes on account of sick leave and other teacher absences.

~~The pay for a substitute shall be fixed by the Board.~~ The minimum pay for a substitute teacher who holds a teaching certificate shall be sixty-five percent (65%) of the daily pay rate of an entry-level teacher with an `A' certificate. The minimum pay for a substitute teacher who does not hold a teaching certificate shall be fifty percent (50%) of the daily pay rate of an entry-level teacher with an `A' certificate. The pay for noncertified substitutes shall not exceed the pay of certified substitutes.

Local boards may use State funds allocated for substitute teachers to hire full-time substitute teachers.

If a teacher assistant acts as a substitute teacher, the salary of the teacher assistant for the day shall be the same as the daily salary of an entry-level teacher with an `A' certificate.

~~The Board may provide to each local school administrative unit not exceeding one percent (1%) of the cost of instructional services for the purpose of providing substitute teachers for those on sick leave as authorized by law or by regulations of the Board, but not exceeding the provisions made for other State employees.~~"

(b) If the average number of substitute teacher days taken by teachers in a local school administrative unit is higher than the statewide average, the local board of education shall determine the reasons unit average is high and shall develop a plan for decreasing the unit average.

(c) This section becomes effective January 1, 1999.

Requested by: Senators Winner, Lee

TORT CLAIM LIABILITY/SCHOOL BUSES

Section 9.17. (a) G.S. 115C-257 reads as rewritten:

"§ 115C-257. Attorney General to pay claims.

The Attorney General is hereby authorized to pay reasonable medical expenses, not to exceed ~~six hundred dollars ($600.00),~~ three thousand dollars ($3,000), incurred within one year from the date of accident to or for each pupil who sustains bodily injury or death caused by accident, while boarding, riding on, or alighting from a school bus operated by any local school administrative unit."

(b) G.S. 143-300.1 reads as rewritten:

"§ 143-300.1. Claims against county and city boards of education for accidents involving school buses or school transportation service vehicles.

(a) The North Carolina Industrial Commission shall have jurisdiction to hear and determine tort claims against any county board of education or any city board of education, which claims arise as a result of any alleged mechanical defects or other defects which may affect the safe operation of a public school bus or school transportation service vehicle resulting from an alleged negligent act of maintenance personnel or as a result of any alleged negligent act or omission of the ~~driver~~ driver, transportation safety assistant, or monitor of a public school bus or school transportation service vehicle when:

(1) ~~The salary of that driver is paid or authorized to be paid from the State Public School Fund, and the~~ The driver is an employee of the county or city administrative unit of which that board is the governing ~~body,~~ body, and the driver is paid or authorized to be paid by that administrative unit,

(1a) The monitor was appointed and acting in accordance with G.S. 115C-245(d),

(1b) The transportation safety assistant was employed and acting in accordance with G.S. 115C-245(e), or

(2) The driver is an unpaid school bus driver trainee under the supervision of an authorized employee of the Department of Transportation, Division of Motor Vehicles, or an authorized employee of that board or a county or city administrative unit thereof,

and which driver was at the time of the alleged negligent act or omission operating a public school bus or school transportation service vehicle in accordance with G.S. 115C-242 in the course of his employment by or training for that administrative unit or ~~board.~~ board, which monitor was at the time of the alleged negligent act or omission acting as such in the course of serving under G.S. 115C-245(d), or which transportation safety assistant was at the time of the alleged negligent act or omission acting as such in the course of serving under G.S. 115C-245(e). The liability of such county or city board of education, the defenses which may be asserted against such claim by such board, the amount of damages which may be awarded to the claimant, and the procedure for filing, hearing and determining such claim, the right of appeal from such determination, the effect of such appeal, and the procedure for taking, hearing and determining such appeal shall be the same in all respects as is provided in this Article with respect to tort claims against the State Board of Education except as hereinafter provided. Any claim filed against any county or city board of education pursuant to this section shall state the name and address of such board, the name of the employee upon whose alleged negligent act or omission the claim is based, and all other information required by G.S. 143-297 in the

case of a claim against the State Board of Education. Immediately upon the docketing of a claim, the Industrial Commission shall forward one copy of the plaintiff's affidavit to the superintendent of the schools of the county or city administrative unit against the governing board of which such claim is made, one copy of the plaintiff's affidavit to the State Board of Education and one copy of the plaintiff's affidavit to the office of the Attorney General of North Carolina. All notices with respect to tort claims against any such county or city board of education shall be given to the superintendent of schools of the county or city administrative unit of which such board is a governing board, to the State Board of Education and also to the office of the Attorney General of North Carolina.

(b) The Attorney General shall be charged with the duty of representing the city or county board of education in connection with claims asserted against them pursuant to this section where the amount of the claim, in the opinion of the Attorney General, is of sufficient import to require and justify such appearance.

(c) In the event that the Industrial Commission shall make award of damages against any county or city board of education pursuant to this section, the Attorney General shall draw a voucher for the amount required to pay such award. The funds necessary to cover vouchers written by the Attorney General for claims against county and city boards of education for accidents involving school buses and school transportation service vehicles shall be made available from funds appropriated to the Department of Public Instruction. Neither the county or city boards of education, or the county or city administrative unit shall be liable for the payment of any award made pursuant to the provisions of this section in excess of the amount paid upon such voucher by the Attorney General. Settlement and payment may be made by the Attorney General as provided in G.S. 143-295.

(d) The Attorney General may defend any civil action which may be brought against the ~~driver~~ driver, transportation safety assistant, or monitor of a public school bus or school transportation service vehicle or school bus maintenance mechanic when such driver or mechanic is ~~paid or authorized to be paid from the State Public School Fund~~ employed and paid by the local school administrative unit, when the monitor is acting in accordance with G.S. 115C-245(d), when the transportation safety assistant is acting in accordance with G.S. 115C-245(e), or when the driver is an unpaid school bus driver trainee under the supervision of an authorized employee of the Department of Transportation, Division of Motor Vehicles, or an authorized employee of a county or city board of education or administrative unit thereof. The Attorney General may afford this defense through the use of a member of his staff or, in his discretion, employ private counsel. The Attorney General is authorized to pay any judgment rendered in such civil action not to exceed the limit provided under the Tort Claims Act. The Attorney General may compromise and settle any claim covered by this section to the extent that he finds the same to be valid, up to the limit provided in the Tort Claims Act, provided that the authority granted in this subsection shall be limited to only those claims which would be within the jurisdiction of the Industrial Commission under the Tort Claims Act."

(c) This section applies as to claims arising on or after July 1, 1998.

Requested by: Senators Winner, Lee, Dalton, Purcell, Representatives Arnold, Grady, Preston, Oldham

EXTRA PAY FOR FORFEITED VACATION DAYS

Section 9.18. (a) Of the funds appropriated to State Aid to Local School Administrative Units, the sum of four million two hundred fifty thousand dollars ($4,250,000) for the 1998-99 fiscal year shall be used by local boards of education to pay teachers for working on, and thereby forfeiting, vacation days, in accordance with G.S.

115C-302.1(c). The State Board of Education shall make available to each local school administrative unit sufficient funds to provide pay for a maximum of six days for each teacher who is qualified to receive additional pay for forfeited vacation days under G.S. 115C-302.1(c). For the 1998-99 fiscal year, the funds allotted under this subsection shall be available for days scheduled by local boards and individual schools as follows: two for days scheduled by the local board of education under G.S. 115C-84.2(a)(4); and four for days scheduled by school principals in consultation with school improvement teams under G.S. 115C-84.2(a)(5).

(b) G.S. 115C-84.2 reads as rewritten:

"§ 115C-84.2. School calendar.

(a) School Calendar. -- Each local board of education shall adopt a school calendar consisting of 220 days all of which shall fall within the fiscal year. A school calendar shall include the following:

(1) A minimum of 180 days and 1,000 hours of instruction covering at least nine calendar months. The local board shall designate when the 180 instructional days shall occur. The number of instructional hours in an instructional day may vary according to local board policy and does not have to be uniform among the schools in the administrative unit. Local boards may approve school improvement plans that include days with varying amounts of instructional time. If school is closed early due to inclement weather, the day and the scheduled amount of instructional hours may count towards the required minimum to the extent allowed by State Board policy. The school calendar shall include a plan for making up days and instructional hours missed when schools are not opened due to inclement weather.

(2) A minimum of 10 annual vacation leave days.

(3) The same or an equivalent number of legal holidays occurring within the school calendar as those designated by the State Personnel Commission for State employees.

(4) Ten days, as designated by the local board, for use as teacher workdays, additional instructional days, or other lawful purposes. A local board may delegate to the individual schools some or all of the 10 days to schedule under subdivision (5) of this subsection. A local board may schedule different purposes for different personnel on any given day and is not required to schedule the same dates for all personnel.

(5) The remaining days shall be scheduled by each individual school by the school's principal in consultation with the school improvement team. Days may be scheduled for any of the purposes allowed under subdivision (4) of this subsection. Days may be scheduled for different purposes for different personnel and there is no requirement to schedule the same dates for all personnel.

Local boards and individual schools are encouraged to use the calendar flexibility in order to meet the annual performance standards set by the State Board. Local boards of education shall consult with parents and the employed public school personnel in the development of the school calendar.

Local boards and individual schools shall give teachers at least 14 calendar days' notice before requiring a teacher to work instead of taking vacation leave on days scheduled in accordance with subdivision (4) or (5) of this subsection. A teacher may elect to waive this notice requirement for one or more such days.

(b) Limitations. -- The following limitations apply when developing the school calendar:

(1) The total number of teacher workdays for teachers employed for a 10 month term shall not exceed 200 days.

(2) The calendar shall include at least ~~30~~ 42 consecutive days when teacher attendance is not required unless: (i) the school is a year-round school; or (ii) the teacher is employed for a term in excess of 10 months. At the request of the local board of education or of the principal of a school, a teacher may elect to work on one of the 42 days when teacher attendance is not required in lieu of another scheduled workday.

(3) School shall not be held on Sundays.

(4) Veteran's Day shall be a holiday for all students enrolled in the public schools.

(c) Emergency Conditions. -- During any period of emergency in any section of the State where emergency conditions make it necessary, the State Board of Education may order general, and if necessary, extended recesses or adjournment of the public schools.

(d) Opening and Closing Dates. -- Local boards of education shall determine the dates of opening and closing the public schools under subdivision (a)(1) of this section. A local board may revise the scheduled closing date if necessary in order to comply with the minimum requirements for instructional days or instructional time. Different opening and closing dates may be fixed for schools in the same administrative unit."

(c) The amendments to G.S. 115C-84.2(b)(2) set out in subsection (b) of this section apply to school years beginning with the 1999-2000 school year.

Requested by: Senators Winner, Lee, Perdue, Dalton, Representatives Arnold, Preston, Oldham

TEACHING FELLOWS PROGRAM

Section 9.19. (a) G.S. 115C-363.23A(a) reads as rewritten:

"(a) A Teaching Fellows Program shall be administered by the North Carolina Teaching Fellows Commission. The Teaching Fellows Program shall be used to provide a four-year scholarship loan of ~~five thousand dollars ($5,000)~~ six thousand five hundred dollars ($6,500) per year to North Carolina high school seniors interested in preparing to teach in the public schools of the State. The Commission shall adopt very stringent standards, including minimum grade point average and scholastic aptitude test scores, for awarding these scholarship loans to ensure that only the best high school seniors receive them."

(b) Notwithstanding the provisions of G.S. 115C-363.23A(f), the Public School Forum, as administrator for the North Carolina Teaching Fellows Program, may spend, in addition to funds required for collection costs related to loan repayments, up to one hundred fifty thousand dollars ($150,000) for the 1998-99 fiscal year and for the 1999-2000 fiscal year from the fund balance for the Program for costs associated with administration of the Program.

Requested by: Senators Winner, Lee, Representatives Arnold, Grady, Preston

LIMITED ENGLISH PROFICIENCY

Section 9.20. (a) The State Board of Education shall develop guidelines for identifying and providing services to students with limited proficiency in the English language.

The State Board shall allocate these funds to local school administrative units and to charter schools under a formula that takes into account the average percentage of

students in the units or the charters over the past three years who have limited English proficiency. If data for the prior three years are not available, the State Board shall use the most recent reliable data. The State Board shall allocate funds to a unit or a charter school only if (i) average daily membership of the unit or the charter school includes at least 20 students with limited English proficiency or (ii) students with limited English proficiency comprise at least two and one-half percent (2 1/2%) of the average daily membership of the unit or charter school. No unit or charter school shall receive funds for more than ten and six-tenths percent (10.6%) of its average daily membership.

Local school administrative units shall use funds allocated to them to pay for classroom teachers, teacher assistants, textbooks, classroom materials/instructional supplies/equipment, and staff development for students with limited English proficiency.

A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds.

(b) G.S. 115C-105.25(b)(4) reads as rewritten:

"(4) Funds allocated for children with special needs, for students with limited English proficiency, and ~~funds allocated~~ for driver's education shall not be transferred."

(c) The State Board of Education shall review its certification requirements for English as a Second Language (ESL) and determine whether the requirements should be revised in order to assist local school administrative units to quickly obtain adequate numbers of qualified teachers. The State Board and the Board of Governors of The University of North Carolina shall coordinate efforts to provide ESL certification programs that are geographically disbursed throughout the State. The Board of Governors shall examine providing ESL certification programs through distance learning methods and off-campus programs.

(d) The State Board of Education shall identify existing or develop new programs that provide instructional personnel with in-service, noncertificate training for assisting students with limited English proficiency in the regular classroom. The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall collaborate with the State Board of Education in order to deliver these programs to geographically diverse locations.

(e) The State Board of Education shall survey local school administrative units to determine whether schools are able to recruit and retain ESL certified teachers. The State Board shall provide the results of this survey to the Joint Legislative Education Oversight Committee prior to December 15, 1999.

(f) G.S. 115C-238.29H(a) reads as rewritten:

"(a) The State Board of Education shall allocate to each charter ~~school (i) an~~ school:

(1) An amount equal to the average per pupil allocation for average daily membership from the local school administrative unit allotments in which the charter school is located for each child attending the charter school except for the allocation for children with special needs and ~~(ii) an~~ for the allocation for children with limited English proficiency;

(2) An additional amount for each child attending the charter school who is a child with special ~~needs.~~ needs; and

(3) An additional amount for children with limited English proficiency attending the charter school, based on a formula adopted by the State Board.

In accordance with G.S. 115C-238.29D(d), the State Board shall allow for annual adjustments to the amount allocated to a charter school based on its enrollment growth in school years subsequent to the initial year of operation.

In the event a child with special needs leaves the charter school and enrolls in a public school during the first 60 school days in the school year, the charter school shall return a pro rata amount of funds allocated for that child to the State Board, and the State Board shall reallocate those funds to the local school administrative unit in which the public school is located. In the event a child with special needs enrolls in a charter school during the first 60 school days in the school year, the State Board shall allocate to the charter school the pro rata amount of additional funds for children with special needs."

Requested by: Senators Plyler, Winner, Lee, Representatives Holmes, Esposito, Creech, Crawford

DRIVERS EDUCATION FUNDS DO NOT REVERT/DRIVING EDUCATION CERTIFICATES

Section 9.21. (a) Section 12(b) of S.L. 1998-23 reads as rewritten:

"(b) This section becomes effective June 30, ~~1998, and expires when the Current Operations Appropriations and Capital Improvement Appropriations Act of 1998 becomes a law.~~ 1998."

(b) The State Board of Education may use funds appropriated for drivers education for the 1998-99 fiscal year for driving eligibility certificates.

(c) G.S. 20-11(n)(4) is amended by adding a new sub-subdivision to read:

"c1. The person who provides the academic instruction in the home in accordance with an educational program found by a court, prior to July 1, 1998, to comply with the compulsory attendance law."

(d) G.S. 115C-566 reads as rewritten:

"§ 115C-566. Driving eligibility certificates; requirements.

The Secretary of Administration, upon consideration of the advice of the Division of Nonpublic Education in the Office of the Governor and representatives of nonpublic schools, shall issue rules for the procedures a person who is or was enrolled in a home ~~school or~~ school, in a nonpublic school that is not accredited by the State Board of ~~Education~~ Education, or in an educational program found by a court, prior to July 1, 1998, to comply with the compulsory attendance law, must follow and the requirements that person must meet to obtain a driving eligibility certificate. The person required under G.S. 20-11(n) to sign the driving eligibility certificate must provide the certificate if he or she determines that one of the following requirements is met:

(1) The person seeking the certificate is currently enrolled in school and is making progress toward obtaining a high school diploma or its equivalent.

(2) A substantial hardship would be placed on the person seeking the certificate or the person's family if the person does not receive the certificate.

(3) The person seeking the certificate cannot make progress toward obtaining a high school diploma or its equivalent.

The rules shall provide for an appeal to an appropriate educational entity by a person who is denied a driving eligibility certificate. The Division of Nonpublic Education also shall develop policies as to when it is appropriate to notify the Division of Motor Vehicles that a person who is or was enrolled in a home school or in a nonpublic school that is not accredited by the State Board of Education no longer meets the requirements for a driving eligibility certificate."

(e) This section constitutes a recent act of the General Assembly within the meaning of G.S. 150B-21.1. Every agency to which this act applies that is authorized to adopt rules to implement this act may adopt temporary rules to implement this act. This section shall continue in effect until all rules necessary to implement this act have become effective as either temporary or permanent rules.

Requested by: Senators Winner, Lee, Representatives Arnold, Grady, Preston

ADDITIONAL TEACHERS FOR MIDDLE SCHOOL CHILDREN WHO ARE ACADEMICALLY BELOW GRADE LEVEL

Section 9.22. Section 8.29(c) of S.L. 1997-443 reads as rewritten:

"(c) Of the funds appropriated to State Aid to Local School Administrative Units, the sum of three million two hundred thousand dollars ($3,200,000) for the 1997-98 fiscal year and the sum of three million two hundred thousand dollars ($3,200,000) for the 1998-99 fiscal year shall be used to provide additional teachers for middle school children who are academically below grade level. Middle school children are children in a school that serves grades six, seven, and eight, and no other grades.

(1) The State Board of Education shall allocate these teacher positions to pilot middle schools on the basis of the number of students in grade six who scored at proficiency Level I on the end-of-grade test in mathematics, on the end-of-grade test in reading, or on both, at the end of their last school year. The funds shall be used in schools ~~that have at least 50 such students~~ at a ratio of one teacher to every 50 students. ~~No partial positions shall be allocated.~~ Positions shall be rounded to the nearest one-half position.

(2) The purpose of these funds is to improve the academic performance and the behavior of these students during the first school year after elementary school by placing them in classes with a low student-to-teacher ratio for either all of their core academic subjects or for the subject or subjects in which they are below grade level. In order to accomplish this purpose, local school administrative units shall use (i) the teachers allocated for these students pursuant to the regular teacher allotment and (ii) the teachers allocated for these students under this section only to improve the academic performance and the behavior of these students. Local boards of education shall adopt rules to ensure that each student for whom funds for additional teacher positions are allocated under this section shall be assigned a teacher who is responsible for monitoring the academic progress of the student.

(3) Of the funds appropriated in this section, the State Board of Education may use up to twenty-five thousand dollars ($25,000) to evaluate the effectiveness of these smaller classes in improving academic performance and discipline in middle schools."

Requested by: Senators Winner, Lee, Dalton, Purcell, Representatives Arnold, Grady, Preston, Oldham

UNIFORM EDUCATION REPORTING SYSTEMS FUNDS/BUILDING LEVEL REPORTS ON SCHOOL FUNDING

Section 9.23. G.S. 115C-12(18) reads as rewritten:

"(18) Duty to Develop and Implement a Uniform Education Reporting System, Which Shall Include Standards and Procedures for Collecting Fiscal and Personnel Information.

a. The State Board of Education shall adopt standards and procedures for local school administrative units to provide timely, accurate, and complete fiscal and personnel information, including payroll information, on all school personnel. All local school administrative units shall comply with these standards and procedures by the beginning of the 1987-88 school year.

b. The State Board of Education shall develop and implement a Uniform Education Reporting System that shall include requirements for collecting, processing, and reporting fiscal, personnel, and student data, by means of electronic transfer of data files from local computers to the State Computer Center through the State Communications Network. All local school administrative units shall comply with the requirements of the Uniform Education Reporting System by the beginning of the 1989-90 school year.

c. The State Board of Education shall comply with the provisions of G.S. 116-11(10a) to plan and implement an exchange of information between the public schools and the institutions of higher education in the State. The State Board of Education shall require local boards of education to provide to the parents of children at a school all information except for confidential information received about that school from institutions of higher education pursuant to G.S. 116-11(10a) and to make that information available to the general public.

d. The State Board of Education shall modify the Uniform Education Reporting System to provide clear, accurate, and standard information on the use of funds at the unit and school level. The plan shall provide information that will enable the General Assembly to determine State, local, and federal expenditures for personnel at the unit and school level. The plan also shall allow the tracking of expenditures for textbooks, educational supplies and equipment, capital outlay, at-risk students, and other purposes. The revised Uniform Education Reporting System shall be implemented beginning with the 1999-2000 school year."

Requested by: Senators Reeves, Perdue

DUES DEDUCTION FOR RETIREES

Section 9.24. (a) Article 1 of Chapter 135 of the General Statutes is amended by adding a new section to read:

"**§ 135-18.8. Deduction for payments to certain employees' associations allowed.**

Any member who is a member of a domiciled employees' association that has at least 2,000 members, the majority of whom are employees of the State or public school employees, may authorize, in writing, the periodic deduction from the member's retirement benefits a designated lump sum to be paid to the employees' association. The authorization shall remain in effect until revoked by the member. A plan of deductions pursuant to this section shall become void if the employees' association engages in collective bargaining with the State, any political subdivision of the State, or any local school administrative unit."

(b) This section becomes effective January 1, 1999, and applies to retirement benefits paid on or after that date.

Requested by: Senators Winner, Odom

USE OF SCHOOL BUSES BY THE 2001 NATIONAL ASSOCIATION OF STUDENT COUNCILS CONFERENCE

Section 9.25. Notwithstanding any other provision of law, the Charlotte-Mecklenburg Board of Education may permit the use and operation of public school buses as the board deems necessary from June 1, 2001, through June 30, 2001, for the transportation needs of persons associated with the National Association of Student Councils Conference to be held in Charlotte.

State funds shall not be used for the use and operation of buses under this act.

The State of North Carolina shall incur no liability for any damages resulting from the use and operation of buses under this act. The National Association of Student Councils shall carry liability insurance covering the use and operation of buses under this act.

Requested by: Senators Winner, Lee, Representatives Arnold, Grady, Preston

UNIFORM EDUCATION REPORTING SYSTEM (UERS)/STUDENT INFORMATION MANAGEMENT SYSTEM (SIMS) FUNDS

Section 9.26. (a) The State Board of Education shall use funds appropriated for the Uniform Education Reporting System and the Student Information Management System for the 1998-99 fiscal year to begin the development of a replacement for the existing Student Information System. In developing the new system, the State Board shall give priority to the development of applications that maintain student records, maintain ABC accountability data, allow for the transfer of student records between local school administrative units, and facilitate the transfer of transcripts to institutions of higher education.

In designing the new system, the State Board shall develop a model for statewide implementation that maximizes the economies of scale with respect to operations, personnel, and hardware. The State Board's goal shall be to develop a new system that provides information to local schools, local school boards, and the State Board in the most cost-efficient manner.

The new system shall follow guidelines established by the Information Resources Management System.

The State Board may develop pilots of the new system.

(b) The State Board shall provide periodic reports to the Joint Legislative Education Oversight Committee on the development of the new system and shall report to the 1999 General Assembly on implementation of the pilot projects.

(c) Funds appropriated for the Uniform Education Reporting System and the Student Information Management System shall not revert at the end of the fiscal year but shall remain available until expended on the project.

Requested by: Senators Winner, Lee, Dalton, Purcell, Representatives Arnold, Preston, Oldham

SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING

Section 9.27. (a) Funds for small school systems. -- Except as provided in subsection (b) of this section, the State Board of Education shall allocate funds appropriated for small school system supplemental funding (i) to each county school administrative unit with an average daily membership of less than 3,150 students and (ii)

to each county school administrative unit with an average daily membership of from 3,150 to 4,000 students if the county in which the local school administrative unit is located has a county adjusted property tax base per student that is below the State adjusted property tax base per student and if the total average daily membership of all local school administrative units located within the county is from 3,150 to 4,000 students. The allocation formula shall:

(1) Round all fractions of positions to the next whole position.

(2) Provide five and one-half additional regular classroom teachers in counties in which the average daily membership per square mile is greater than four, and seven additional regular classroom teachers in counties in which the average daily membership per square mile is four or less.

(3) Provide additional program enhancement teachers adequate to offer the standard course of study.

(4) Change the duty-free period allocation to one teacher assistant per 400 average daily membership.

(5) Provide a base for the consolidated funds allotment of at least $355,000, excluding textbooks.

(6) Allot vocational education funds for grade 6 as well as for grades 7-12.

If funds appropriated for each fiscal year for small school system supplemental funding are not adequate to fund fully the program, the State Board of Education shall reduce the amount allocated to each county school administrative unit on a pro rata basis. This formula is solely a basis for distribution of supplemental funding for certain county school administrative units and is not intended to reflect any measure of the adequacy of the educational program or funding for public schools. The formula is also not intended to reflect any commitment by the General Assembly to appropriate any additional supplemental funds for such county administrative units.

(b) Nonsupplant requirement. -- A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. For the 1997-99 fiscal biennium, the State Board of Education shall not allocate funds under this section to a county found to have used these funds to supplant local per student current expense funds. The State Board of Education shall make a finding that a county has used these funds to supplant local current expense funds in the prior year, or the year for which the most recent data are available, if:

(1) The current expense appropriation per student of the county for the current year is less than ninety-five percent (95%) of the average of the local current expense appropriations per student for the three prior fiscal years; and

(2) The county cannot show (i) that it has remedied the deficiency in funding, or (ii) that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated under this section.

The State Board of Education shall adopt rules to implement this section.

(c) Phase-out provision. -- If a local school administrative unit becomes ineligible for funding under this formula solely because of an increase in population or an increase in the county adjusted property tax base per student of the county in which the local school administrative unit is located, funding for that unit shall be phased out over a two-year period. For the first year of ineligibility, the unit shall receive the same amount

it received for the prior fiscal year. For the second year of ineligibility, it shall receive half of that amount.

(d) Definitions. -- As used in this section:

(1) "Average daily membership" means within two percent (2%) of the average daily membership as defined in the North Carolina Public Schools Allotment Policy Manual, adopted by the State Board of Education.

(2) "County adjusted property tax base per student" means the total assessed property valuation for each county, adjusted using a weighted average of the three most recent annual sales assessment ratio studies, divided by the total number of students in average daily membership who reside within the county.

(2a) "Local current expense funds" means the most recent county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.

(3) "Sales assessment ratio studies" means sales assessment ratio studies performed by the Department of Revenue under G.S. 105-289(h).

(4) "State adjusted property tax base per student" means the sum of all county adjusted property tax bases divided by the total number of students in average daily membership who reside within the State.

(4a) "Supplant" means to decrease local per student current expense appropriations from one fiscal year to the next fiscal year.

(5) "Weighted average of the three most recent annual sales assessment ratio studies" means the weighted average of the three most recent annual sales assessment ratio studies in the most recent years for which county current expense appropriations and adjusted property tax valuations are available. If real property in a county has been revalued one year prior to the most recent sales assessment ratio study, a weighted average of the two most recent sales assessment ratios shall be used. If property has been revalued the year of the most recent sales assessment ratio study, the sales assessment ratio for the year of revaluation shall be used.

(e) Reports. -- The State Board of Education shall report to the Joint Legislative Education Oversight Committee prior to May 1, 1999, on the results of its analysis of whether counties supplanted funds.

Requested by: Senators Winner, Lee, Dalton, Purcell, Representatives Arnold, Grady, Preston, Oldham

SCHOOL ADMINISTRATION INTERNS

Section 9.29. During the 1998-99 fiscal year, a local school administrative unit may employ a person who is not certified as an assistant principal in an assistant principal position if (i) the person is a part-time student in an approved masters in school administration program and (ii) the employment of the person as an assistant principal is during the one-year internship under the masters program.

The placement shall be at the entry-level salary for an assistant principal or the appropriate step on the teacher salary schedule, whichever is higher. The placement shall be only for the time the person participates in the internship and shall be for no more than one year.

PART X. COMMUNITY COLLEGES

Requested by: Senators Plyler, Purcell, Lee, Winner, Dalton, Representatives Arnold, Grady, Preston, Oldham

EXTEND FOR ONE YEAR THE DEADLINE FOR MATCHING COMMUNITY COLLEGE BOND FUNDS

Section 10. (a) Section 6(b)IV of Chapter 542 of the 1993 Session Laws, as added by Section 4 of Chapter 515 of the 1995 Session Laws, reads as rewritten:

"IV. If the State Board of Community Colleges determines that a community college has not met the matching requirements of G.S. 115D-31(a)(1) by July 1, ~~1998,~~ 1999, with respect to a capital improvement project for which bond proceeds are allocated in subdivision I or pursuant to subdivision II of this subsection, the Board shall certify that fact to the State Treasurer by October 1, ~~1998.~~ 1999. All of these bond proceeds with respect to which the Board certifies that the matching requirement has not been met by July 1, ~~1998,~~ 1999, shall be placed by the State Treasurer in a special account within the Community Colleges Bond Fund and shall be used for making grants to community colleges. Bond proceeds in the special account shall be allocated among the community colleges in accordance with the following conditions:

(1) The State Board of Community Colleges shall generate, by October 1, ~~1998,~~ 1999, a priority ranking of legitimate community college capital improvement needs using a formula based on objective meaningful factors relevant to capital needs, including space to population ratio, population served ratio, capacity enrollment ratio, local to State and vocational education ratios, type of project, and readiness to implement.

(2) The State Board of Community Colleges shall provide the State Treasurer a projected allocation of the proceeds in the special account in accordance with this priority ranking, except that:

a. No projected allocation shall be made for a community college that the Board certified in accordance with this subdivision IV had failed to meet a matching requirement.

b. No more than four million dollars ($4,000,000) shall be allocated to a single community college.

c. Funds shall not be allocated for more than one project per community college.

(3) The proceeds of grants made from bond proceeds in the special account shall be allocated and expended for paying the cost of community college capital improvements in accordance with this allocation by the State Board of Community Colleges, to the extent and as provided in this act. The Director of the Budget is empowered, when the Director of the Budget determines it is in the best interest of the State and the North Carolina Community College System to do so, and if the cost of a particular project is less than the projected allocation, to use the excess funds to increase the size of that project or increase the size of any other project itemized in this section, or to increase the amount allocated to a particular community college within the aggregate amount of funds available under this section. The Director of the Budget shall consult with the Advisory Budget Commission and the Joint Legislative Commission on Governmental Operations before making these changes."

(b) Section 8 of S.L. 1998-23 is repealed.

(c) This section becomes effective June 30, 1998.

Requested by: Senators Lee, Winner, Representatives Arnold, Grady, Preston

INDEPENDENT STUDY OF CAPITAL BUDGET AND OPERATING BUDGET FUND ALLOCATIONS

Section 10.1. The State Board of Community Colleges shall contract with an outside consultant to:

(1) Review the community college capital allocation process and recommend modifications to the process necessary to make the process more equitable; and

(2) Study performance budget measures and recommend options for allocating community college funds on a performance budgeting basis.

The State Board may use funds from the State Board Reserve to implement this section.

The State Board shall report to the Joint Legislative Appropriations Subcommittees on Education and the Fiscal Research Division prior to February 1, 1999, on the implementation of this section.

Requested by: Senators Lee, Winner, Dalton, Representatives Arnold, Grady, Preston

COMMUNITY COLLEGE EQUIPMENT RESERVE FUND

Section 10.2. (a) G.S. 115D-31 reads as rewritten:

"§ 115D-31. State financial support of institutions.

(a) The State Board of Community Colleges shall be responsible for providing, from sources available to the State Board, funds to meet the financial needs of institutions, as determined by policies and regulations of the State Board, for the following budget items:

(1) Plant Fund. -- Furniture and equipment for administrative and instructional purposes, library books, and other items of capital outlay approved by the State Board. Provided, the State Board may, on an equal matching-fund basis from appropriations made by the State for the purpose, grant funds to individual institutions for the purchase of land, construction and remodeling of institutional buildings determined by the State Board to be necessary for the instructional programs or administration of such institutions. For the purpose of determining amount of matching State funds, local funds shall include expenditures made prior to the enactment of this Chapter or prior to an institution becoming a community college pursuant to the provisions of this Chapter, when such expenditures were made for the purchase of land, construction, and remodeling of institutional buildings subsequently determined by the State Board to be necessary as herein specified, and provided such local expenditures have not previously been used as the basis for obtaining matching State funds under the provisions of this Chapter or any other laws of the State. Notwithstanding the provisions of this subdivision, G.S. 116-53(b), or G.S. 143-31.4, appropriations by the State of North Carolina for capital or permanent improvements for community colleges may be matched with any prior expenditure of non-State funds for capital construction or land acquisition not already used for matching purposes.

(2) Current Operating Expenses:

a. General administration. -- Salaries and other costs as determined

by the State Board necessary to carry out the functions of general administration.

b. Instructional services. -- Salaries and other costs as determined by the State Board necessary to carry out the functions of instructional services.

c. Support services. -- Salaries and other costs as determined by the State Board necessary to carry out the functions of support services.

(3) Additional Support for Regional Institutions as Defined in G.S. 115D-2(4). -- Matching funds to be used with local funds to meet the financial needs of the regional institutions for the items set out in G.S. 115D-32(a)(2)a. Amount of matching funds to be provided by the State under this section shall be determined as follows: The population of the administrative area in which the regional institution is located shall be called the `local factor,' the combined populations of all other counties served by the institution shall be called the `State factor.' When the budget for the items listed in G.S. 115D-32(a)(2)a has been approved under the procedures set out in G.S. 115D-45, the administrative area in which the regional institution is located shall provide a percentage to be determined by dividing the local factor by the sum of the local factor and the State factor. The State shall provide a percentage of the necessary funds to meet this budget, the percentage to be determined by dividing the State factor by the sum of the local factor and the State factor. If the local administrative area provides less than its proportionate share, the amount of State funds provided shall be reduced by the same proportion as were the administrative area funds.

Wherever the word `population' is used in this subdivision, it shall mean the population of the particular area in accordance with the latest United States census.

(b) The State Board is authorized to accept, receive, use, or reallocate to the institutions any federal funds or aids that have been or may be appropriated by the government of the United States for the encouragement and improvement of any phase of the programs of the institutions.

(c) State funds appropriated to the State Board of Community Colleges for equipment and library ~~books~~ books, except for funds appropriated to the Equipment Reserve Fund, shall revert to the General Fund 12 months after the close of the fiscal year for which they were appropriated. Encumbered balances outstanding at the end of each period shall be handled in accordance with existing State budget policies. The Department shall identify to the Office of State Budget and Management the funds that revert at the end of the 12 months after the close of the fiscal year.

(d) State funds appropriated to the State Board of Community Colleges for the Equipment Reserve Fund shall be allocated to institutions in accordance with the equipment allocation formula for the fiscal period. An institution to which these funds are allocated shall spend the funds only in accordance with an equipment acquisition plan developed by the institution and approved by the State Board.

These funds shall not revert and shall remain available until expended in accordance with an approved plan."

(b) The State Board of Community Colleges shall allocate equipment funds appropriated for the 1998-99 fiscal year, including funds appropriated to the Equipment Reserve Fund, in accordance with the formula proposed to the General Assembly by the Board at its May 1998 meeting.

Requested by: Senators Lee, Winner, Representatives Arnold, Grady, Preston

BUDGET REALIGNMENT TO IMPLEMENT REORGANIZATION AUTHORIZED

Section 10.3. Notwithstanding G.S. 143-23 or any other provision of law, the State Board of Community Colleges may transfer funds within the budget of the Department of Community Colleges to the extent necessary to implement the departmental reorganization plan recommended by the President of the North Carolina Community College System and adopted by the State Board.

Requested by: Senators Lee, Winner, Representatives Arnold, Grady, Preston

CONTINUING BUDGET CONCEPT

Section 10.4. (a) The State Board of Community Colleges shall implement the continuing budget concept for full-time equivalent students (FTE) earned for the 1998-99 fiscal year as follows:

(1) Community colleges that experience a decline in enrollment shall not receive a decrease in full-time equivalent student (FTE) enrollment funds until their enrollment declines more than three percent (3%). At that time, they shall experience a decline of only the amount over three percent (3%);

(2) Community colleges that experience an increase in enrollment shall not receive an increase in full-time equivalent student (FTE) enrollment funds until their enrollment increases more than two percent (2%). At that time, they shall experience an increase of only the amount over two percent (2%).

(b) The State Board of Community Colleges shall implement the continuing budget concept for subsequent fiscal years by funding (i) the average earned full-time equivalent student (FTE) enrollment for the prior three fiscal years, or (ii) the earned full-time equivalent student (FTE) enrollment for the prior fiscal year, whichever is greater.

Requested by: Senators Lee, Winner, Representatives Arnold, Grady, Preston

ANNUAL REVIEW ACCOUNTABILITY ENHANCED

Section 10.5. The General Assembly finds that the current annual program review standards are not adequate to ensure that programs are meeting the needs of students, employers, and the general public; therefore, the State Board of Community Colleges shall review the current standard to ensure a higher degree of program accountability and shall establish appropriate levels of performance for each measure based on sound methodological practices.

The State Board shall make an interim report to the Joint Legislative Education Oversight Committee and to the Fiscal Research Division on its improved accountability measures prior to November 1, 1998, and a final report prior to February 1, 1999.

Requested by: Senators Lee, Winner, Representatives Arnold, Grady, Preston

DEVELOPMENT OF MANAGEMENT INFORMATION SYSTEM

Section 10.6. The State Board of Community Colleges shall develop a plan for an efficient and effective technology and management information system. The system shall be designed to support the North Carolina Community College System's planning, evaluation, communication, resource management, full-time equivalent student (FTE) reporting, and decision-making processes. The plan shall identify the technology

and management information needs of the local colleges and the Department of Community Colleges, the costs of meeting these needs, and the benefits of meeting them.

The State Board shall report to the Joint Legislative Education Oversight Committee prior to February 1, 1999, on the plan it develops.

Requested by: Senators Lee, Winner, Representatives Arnold, Grady, Preston

COOPERATIVE HIGH SCHOOL EDUCATION PROGRAM ACCOUNTABILITY

Section 10.7. (a) It is the goal of the General Assembly to increase the number of qualified high school students participating in cooperative high school education programs that are provided by local community colleges through cost-effective programs that do not duplicate high school Advanced Placement courses that are currently being offered or that could feasibly be offered. These programs shall provide additional higher education opportunities for qualified high school students while minimizing overlapping costs to the State for public schools and community colleges.

(b) The State Board of Community Colleges and the State Board of Education shall create a joint task force to study the existing policies for cooperative high school education programs and to recommend changes necessary to improve the programs' success and accountability. The Boards shall report their findings and recommendations to the Joint Legislative Education Oversight Committee and the Fiscal Research Division prior to March 1, 1999.

Requested by: Senators Winner, Lee, Dalton, Purcell, Representatives Arnold, Grady, Preston, Oldham

REPORTING REQUIREMENTS

Section 10.8. The local institutions of the North Carolina Community College System shall comply with annual reporting requirements established by the State Board of Community Colleges; therefore, the State Board of Community Colleges shall develop an action plan to improve the timeliness and accuracy of the data that are required to be reported to the State Board by each institution. This plan shall include withholding State funds from the institution if an institution is not in compliance.

The plan shall be approved and implemented by October 30, 1998.

Requested by: Senators Lee, Winner, Dalton, Purcell, Representatives Arnold, Preston, Grady, Oldham

COMMUNITY COLLEGE TUITION STUDY

Section 10.9. The Joint Legislative Education Oversight Committee shall study community college tuition in light of (i) recent proposals intended to maximize the opportunities of North Carolina residents to continue their education after high school and (ii) federal "Hope Scholarships". The Committee shall report the results of its study to the Appropriations Subcommittees on Education of the Senate and the House of Representatives prior to January 15, 1999.

Requested by: Senators Hoyle, Lee, Winner, Dalton, Purcell, Representatives Arnold, Grady, Preston, Oldham

HOSPITALITY AND TOURISM JOB TRAINING PROGRAMS

Section 10.10. (a) The State Board of Community Colleges shall study hospitality and tourism job training programs offered by the local institutions of the North Carolina Community College System. The State Board of Community Colleges shall collaborate with the Board of Governors of The University of North Carolina, the State Board of Education, and the Department of Commerce to improve articulation between

institutions with regard to hospitality and tourism job training programs. The efforts to improve articulations shall be considered a joint venture of these educational institutions that are participating members of the Culinary, Hospitality, Tourism Education Alliance (CHTEA), and of the Department of Commerce and the travel and tourism industry.

(b) The State Board of Community Colleges, the State Board of Education, the Board of Governors of The University of North Carolina, and the Department of Commerce shall report jointly to the Joint Legislative Education Oversight Committee prior to April 1, 1999, on the following:

(1) An inventory of all curriculum, continuing education, and job training programs offered in the State that support the travel, tourism, and hospitality industries;

(2) Recommendations for improvements to the programs and a system of program accountability; and

(3) Recommendations on ways to improve communication between the industry and the Boards and to enhance efforts to promote the programs.

Requested by: Senators Lee, Winner, Dalton, Purcell, Representatives Arnold, Grady, Preston, Oldham

ROANOKE-CHOWAN COMMUNITY COLLEGE/SHELTERED WORKSHOP

Section 10.11. (a) Roanoke-Chowan Community College may use proceeds derived from the lease of buildings associated with the sheltered workshop to phase out the sheltered workshop operation.

(b) This section shall remain in effect until the closeout of the sheltered workshop has been accomplished.

Requested by: Senators Rand, Lee

COMMUNITY COLLEGE TUITION WAIVER

Section 10.12. It is the intent of the General Assembly to provide a tuition waiver for up to two years, to the extent that funds are appropriated expressly for that purpose, to deserving students who graduate from a North Carolina high school and are enrolled full-time in a North Carolina community college within six months of graduation.

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford

COMMUNITY COLLEGE TO SERVE ANSON AND UNION COUNTIES

Section 10.13. The Union County Commissioners and the Anson County Commissioners shall develop and submit to the State Board of Community Colleges prior to February 1, 1999, (i) a contract for establishment of a new multicampus community college to serve the two counties, or (ii) a proposal for separate community colleges to serve the two counties, or (iii) another proposal for providing access to community college courses to the citizens of Union and Anson Counties.

If the two boards of Commissioners do not jointly submit a single proposal to the State Board of Community Colleges, the State Board of Community Colleges shall, prior to February 28, 1999, and after consultation with the Joint Legislative Education Oversight Committee, use funds within the Department's budget to employ an independent consultant to study the issue. The consultant shall assess the community college program and service needs of Union and Anson Counties and make

recommendations for the best organizational and service delivery system to address the identified needs.

The State Board of Community Colleges shall report its recommendations, based on the consultant's report, to the Appropriations Committees of the Senate and the House of Representatives prior to May 1, 1999.

Requested by: Senators Lee, Winner, Dalton, Purcell, Perdue

PRISON PROGRAM START-UP FUNDS

Section 10.14. Funds appropriated for private prison program start-up shall be allocated in accordance with actual, noninflated, start-up costs based on the date the programs begin operation. It is the intent of the General Assembly to reimburse in the 1999-2000 fiscal year any audited, actual expenditures for private prison program start-up at Pamlico and Mayland Community Colleges that were incurred during the 1998-99 fiscal year.

PART XI. UNIVERSITIES

Requested by: Senators Lee, Winner, Dalton, Representatives Arnold, Grady, Preston, Oldham

UNC INCENTIVE FUNDING

Section 11. (a) G.S. 116-30.3 reads as rewritten:

"§ 116-30.3. Reversions.

(a) Of the General Fund current operations appropriations credit balance remaining at the end of each fiscal year in each budget code of a special responsibility constituent institution, except for the budget code of the Area Health Education Centers of the University of North Carolina at Chapel Hill, any amount greater than two percent (2%) of the General Fund appropriation for that fiscal year may be carried forward by the institution to the next fiscal year and may be used for one-time expenditures that will not impose additional financial obligations on the State. Of the General Fund current operations appropriations credit balance remaining in the budget code of the Area Health Education Centers of the University of North Carolina at Chapel Hill, any amount greater than one percent (1%) of the General Fund appropriation for that fiscal year may be carried forward in that budget code to the next fiscal year and may be used for one-time expenditures that will not impose additional financial obligations on the State. However, the amount carried forward under this section shall not exceed two and one-half percent (2 1/2%) of the General Fund appropriation. The Director of the Budget, under the authority set forth in G.S. 143-25, shall establish the General Fund current operations credit balance remaining in each budget code of each institution.

(b) An institution shall cease to be a special responsibility constituent institution under the following circumstances:

(1) An institution, other than the Area Health Education Centers of the University of North Carolina, does not revert at least two percent (2%) of its General Fund current operations credit balance remaining in each budget code of that institution, or

(2) The Area Health Education Centers of the University of North Carolina at Chapel Hill does not revert at least one percent (1%) of its General Fund current operations credit balance remaining in its budget code.

However, if the Board of Governors finds that the low reversion rate is due to adverse and unforeseen conditions, the Board may allow the institution to remain a special responsibility constituent institution for one year to come into conformity with this

section. The Board may make this exception only one time for any special responsibility constituent institution, and shall report these exceptions to the Joint Legislative Commission on Governmental Operations.

~~(c) One-half of the reversions required in subsection (a) and (b) of this section shall be returned to the General Fund credit balance at the end of each fiscal year.~~

(d) For fiscal year ~~1997-98 and each subsequent fiscal year,~~ 1998-99, ~~one-half of~~ the reversions required in subsections (a) and (b) of this section shall be available to each special responsibility constituent institution of The University of North Carolina. ~~Those~~ One-half of those funds shall be used ~~by the institution at the campus level for any of the following: the nonrecurring costs of technology, including the installation of technology infrastructure for academic facilities on the campus of the special responsibility constituent institution, the implementation by the constituent institution of its campus technology plan as approved by the Board of Governors, or for libraries.~~ for technology infrastructure development in accordance with the Board of Governors' Plan for Technology Development. Those funds may be used as partial funding for multicampus contracts if so directed by the Board of Governors, but the amount spent on each Special Responsibility Constituent Institution's campus shall be at least the equivalent of one percent (1%) of that institution's General Fund operating appropriation for fiscal year 1998-99. The funds shall not be used to support positions. Each special responsibility constituent institution shall report annually to the Board of Governors regarding how the institution spent the funds made available under this section."

(b) Effective July 1, 1999, G.S. 116-30.3, as amended by subsection (a) of this section, reads as rewritten:

"§ 116-30.3. Reversions.

~~(a)~~ Of the General Fund current operations appropriations credit balance remaining at the end of each fiscal year in each budget code of a special responsibility constituent institution, except for the budget code of the Area Health Education Centers of the University of North Carolina at Chapel Hill, any amount ~~greater than two percent (2%)~~ of the General Fund appropriation for that fiscal year may be carried forward by the institution to the next fiscal year and may be used for one-time expenditures that will not impose additional financial obligations on the State. Of the General Fund current operations appropriations credit balance remaining in the budget code of the Area Health Education Centers of the University of North Carolina at Chapel Hill, any amount ~~greater than one percent (1%)~~ of the General Fund appropriation for that fiscal year may be carried forward in that budget code to the next fiscal year and may be used for one-time expenditures that will not impose additional financial obligations on the State. However, the amount carried forward under this section shall not exceed two and one-half percent (2 1/2%) of the General Fund appropriation. The Director of the Budget, under the authority set forth in G.S. 143-25, shall establish the General Fund current operations credit balance remaining in each budget code of each institution.

~~(b) An institution shall cease to be a special responsibility constituent institution under the following circumstances:~~

~~(1) An institution, other than the Area Health Education Centers of the University of North Carolina, does not revert at least two percent (2%) of its General Fund current operations credit balance remaining in each budget code of that institution, or~~

~~(2) The Area Health Education Centers of the University of North Carolina at Chapel Hill does not revert at least one percent (1%) of its General Fund current operations credit balance remaining in its budget code.~~

~~However, if the Board of Governors finds that the low reversion rate is due to adverse and unforeseen conditions, the Board may allow the institution to remain a special responsibility constituent institution for one year to come into conformity with this section. The Board may make this exception only one time for any special responsibility constituent institution, and shall report these exceptions to the Joint Legislative Commission on Governmental Operations.~~

~~(d) For fiscal year 1998-99, the reversions required in subsections (a) and (b) of this section shall be available to each special responsibility constituent institution of The University of North Carolina. One-half of those funds shall be used for technology infrastructure development in accordance with the Board of Governors' Plan for Technology Dvelopment. Those funds may be used as partial funding for multi-campus contracts if so directed by the Board of Governors, but the amount spent on each Special Responsibility Constituent Institution's campus shall be at least the equivalent of one percent of that institution's General Fund operating appropriation for 1998-99. The funds shall not be used to support positions. Each special responsibility constituent institution shall report annually to the Board of Governors regarding how the institution spent the funds made available under this section.~~"

Requested by: Senators Lee, Winner, Representatives Arnold, Grady, Preston

NATURAL RESOURCES LEADERSHIP INSTITUTE

Section 11.1. For the 1998-99 fiscal year, the requirement for reversion of General Fund appropriations as required by G.S. 116-30.3 for the Cooperative Extension Service budget code at North Carolina State University is reduced by one hundred seventy thousand dollars ($170,000) in order to provide funding for the Natural Resource Leadership Institute sponsored by the Cooperative Extension Service.

Requested by: Senators Lee, Winner, Representatives Arnold, Grady, Preston

INCENTIVE SCHOLARSHIP PROGRAM FOR NATIVE AMERICANS

Section 11.2. Section 17.3(a) of Chapter 769, 1993 Session Laws, reads as rewritten:

"Sec. 17.3. (a) The Board of Governors of The University of North Carolina shall establish the Incentive Scholarship Program for Native Americans to provide opportunities for Native Americans who are residents of North Carolina to attend constituent institutions of The University of North Carolina under rules adopted by the Board of Governors. Scholarships awarded under the program shall carry a maximum value of three thousand dollars ($3,000) per recipient per academic year, ~~reduced by any amount of need-based aid that the recipient may receive from Pell Grants, North Carolina Student Incentive Grants, Supplemental Educational Opportunity Grants, or the American Indian Student Legislative Grant Program.~~ to be awarded after all other need-based grants for which the recipient is eligible have been included in the student's financial aid package. The maximum amount of the award shall not exceed the cost of attendance budget used to calculate financial aid less other need-based aid received, and in no case shall the award exceed three thousand dollars ($3,000). To be eligible for such a scholarship, a student shall be a Native American, defined as an individual who maintains cultural identification as a Native American through membership in an Indian tribe recognized by the United States or by the State of North Carolina or through other tribal affiliation or community recognition."

Requested by: Senators Lee, Winner, Plyler, Representatives Arnold, Grady, Preston

AID TO STUDENTS ATTENDING PRIVATE COLLEGES PROCEDURE

Section 11.3. Section 10.4 of S.L. 1997-443 reads as rewritten:

"Section 10.4. (a) Funds appropriated in this act to the Board of Governors of The University of North Carolina for aid to private colleges shall be disbursed in accordance with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall provide up to ~~seven hundred fifty dollars ($750.00)~~ nine hundred dollars ($900.00) per full-time equivalent North Carolina undergraduate student enrolled at a private institution as of October 1 each year.

These funds shall be placed in a separate, identifiable account in each eligible institution's budget or chart of accounts. All funds in this account shall be provided as scholarship funds for needy North Carolina students during the fiscal year. Each student awarded a scholarship from this account shall be notified of the source of the funds and of the amount of the award. Funds not utilized under G.S. 116-19 shall be available for the tuition grant program as defined in subsection (b) of this section.

(b) In addition to any funds appropriated pursuant to G.S. 116-19 and in addition to all other financial assistance made available to private educational institutions located within the State, or to students attending these institutions, there is granted to each full-time North Carolina undergraduate student attending an approved institution as defined in G.S. 116-22, a sum, not to exceed ~~one thousand four hundred fifty dollars ($1,450)~~ one thousand six hundred dollars ($1,600) per academic year, which shall be distributed to the student as hereinafter provided.

The tuition grants provided for in this section shall be administered by the State Education Assistance Authority pursuant to rules adopted by the State Education Assistance Authority not inconsistent with this section. The State Education Assistance Authority shall not approve any grant until it receives proper certification from an approved institution that the student applying for the grant is an eligible student. Upon receipt of the certification, the State Education Assistance Authority shall remit at such times as it shall prescribe the grant to the approved institution on behalf, and to the credit, of the student.

In the event a student on whose behalf a grant has been paid is not enrolled and carrying a minimum academic load as of the tenth classroom day following the beginning of the school term for which the grant was paid, the institution shall refund the full amount of the grant to the State Education Assistance Authority. Each approved institution shall be subject to examination by the State Auditor for the purpose of determining whether the institution has properly certified eligibility and enrollment of students and credited grants paid on the behalf of the students.

In the event there are not sufficient funds to provide each eligible student with a full grant:

(1) The Board of Governors of The University of North Carolina, with the approval of the Office of State Budget and Management, may transfer available funds to meet the needs of the programs provided by subsections (a) and (b) of this section; and

(2) Each eligible student shall receive a pro rata share of funds then available for the remainder of the academic year within the fiscal period covered by the current appropriation.

Any remaining funds shall revert to the General Fund.

(c) Expenditures made pursuant to this section may be used only for secular educational purposes at nonprofit institutions of higher learning. Expenditures made pursuant to this section shall not be used for any student who:

(1) Is incarcerated in a State or federal correctional facility for committing a Class A, B, B1, or B2 felony; or

(2) Is incarcerated in a State or federal correctional facility for committing a Class C through I felony and is not eligible for parole or release within 10 years.

(d) The State Education Assistance Authority shall document the number of full-time equivalent North Carolina undergraduate students that are enrolled in off-campus programs and the State funds collected by each institution pursuant to G.S. 116-19 for those students. The State Education Assistance Authority shall also document the number of scholarships and the amount of the scholarships that are awarded under G.S. 116-19 to students enrolled in off-campus programs. An "off-campus program" is any program offered for degree credit away from the institution's main permanent campus.

The State Education Assistance Authority shall include in its annual report to the Joint Legislative Education Oversight Committee the information it has compiled and its findings regarding this program."

Requested by: Senators Lee, Winner, Representatives Arnold, Grady, Preston

UNC EQUITY FUNDS/CAPITAL FACILITIES STUDY

Section 11.4. Section 10.1 of S.L. 1997-443 reads as rewritten:

"Section 10.1. (a) The funds appropriated to the Board of Governors of The University of North Carolina for equity funds are to address relative inequities in State operating funding revealed through a study of the constituent institutions in the university system. The General Assembly notes that the study dealt with equity based upon current funding from State appropriations and tuition for operations and did not consider historical equity in funding for physical facilities or funding from non-State sources. Therefore, in making this appropriation, the General Assembly does not conclude that the total funding of any institution, including specifically the historically black universities, is adequate in light of all considerations.

(b) Based on findings of the Legislative Study Commission on the Status of Education at The University of North Carolina, the General Assembly is still concerned about perceived differences in the quality of capital facilities on the different campuses, which may impact the ability of some campuses to attract students and faculty. Since the Board of Governors has recently completed studies of equity of funding for operating costs among the constituent institutions and of the Board of Governors' capital improvements request process, it is timely that the question of equity of facilities be addressed.

The Board of Governors of The University of North Carolina shall study the relative equity and adequacy of the physical facilities of its constituent institutions. The study shall consider the condition of the facilities, whether or not facilities are comparable among the campuses given the different missions of the institutions, comparable adequacy of the physical facilities given the size and projected growth of the school, and such other factors deemed appropriate by the Board of Governors. The study shall include all facilities contributing to the accomplishment of the campuses' missions. First, the Board of Governors shall study those facilities considered central to the academic missions of the campuses that are generally supported from General Fund appropriations. Secondly, the Board of Governors shall study those facilities that contribute to the overall missions of the campuses, including residential, dining, research, and other facilities regardless of the sources of funding. The Board of Governors shall consider its policies on funding of self-liquidating projects and whether those policies contribute to any inequities among the campuses, including the overall costs to the students.

~~The Board of Governors shall report to the General Assembly by January 15, 1999, with the results of its study. The report shall include recommendations to rectify any inequities or inadequacies found in the study.~~

(c) The Board of Governors shall contract with a private consulting firm with expertise in higher education matters to assess the additional capital needs of the constituent institutions of The University of North Carolina. The needs assessment shall project the needs for capital funding for a 10-year period, and shall include a detailed plan for making funding allocations based on the priorities of needs.

The plan shall provide a detailed capital spending plan for the next 10 years to assist the General Assembly in making funding decisions relating to The University of North Carolina, as the State plans for major increases in enrollment in higher education and prepares its citizens to compete in a global economy. The plan shall include considerations of the costs and changes in capital needs caused by new technologies and alternative systems for delivery of higher education services.

The consultant shall visit each campus in The University of North Carolina system to understand the needs of each campus based on their assigned missions, physical needs, and plans.

The Board and its consultant shall provide interim progress reports to the General Assembly on a periodic basis. The Board of Governors shall report to the General Assembly by April 15, 1999, with the results of its study and plan.

Of the funds appropriated to the Board of Governors for fiscal year 1998-99, up to two hundred fifty thousand dollars ($250,000) may be reallocated for the purposes of this section, including funds that would normally revert to the General Fund at the end of the fiscal year."

Requested by: Senators Lee, Winner, Dalton, Purcell, Representatives Arnold, Preston, Oldham

MANUFACTURING EXTENSION PARTNERSHIP

Section 11.5. Section 10.7 of S.L. 1997-443 reads as rewritten:

"Section 10.7. Of the funds appropriated to the Board of Governors of The University of North Carolina, the sum of ~~nine hundred thousand dollars ($900,000)~~ seven hundred fifty thousand dollars ($750,000) for the ~~1997-98~~ 1998-99 fiscal year shall be allocated to North Carolina State University to match additional federal funds for the Manufacturing Extension Partnership Program."

Requested by: Senators Lee, Winner, Warren, Perdue, Dalton, Purcell, Representatives Arnold, Preston, Oldham

EAST CAROLINA DOCTORAL II CLASSIFICATION

Section 11.6. Of the funds appropriated to the Board of Governors of The University of North Carolina for the 1998-99 fiscal year, the sum of one million five hundred thousand dollars ($1,500,000) shall be allocated to East Carolina University in recognition of the designation of that institution as a Doctoral II University. The funds may be used for additional faculty, increases in faculty salaries, increases in the number of graduate student tuition remissions, and other enhancements required to meet the needs of a Doctoral II institution. The use of these funds shall be in accord with the plan developed for the Board of Governors for adjusting the funding for East Carolina University to a level appropriate for Doctoral II University status. East Carolina University shall report to the Board of Governors, the Office of State Budget and Management, and the Fiscal Research Division on the allocation of these funds within its budgets.

Requested by: Senators Lee, Winner, Representatives Arnold, Grady, Preston

UNC DISTANCE EDUCATION

Section 11.7. This act provides funding to The University of North Carolina Board of Governors for degree-related courses provided away from the campus sites of the constituent institutions of The University of North Carolina. The intent of this commitment is to provide expanded opportunities for higher education to more North Carolina residents, including nontraditional students, and to increase the number of North Carolina residents who earn post-secondary degrees.

These funds shall be used for the provision of off-campus higher education programs, including the costs for the development or adaptation of programs for this purpose, and the funds may be used for the costs of providing space and services at the off-campus sites.

Prior to approving funding for off-campus programs in nursing, the Board shall consult with the central office of the Area Health Education Centers (AHEC) to obtain information about regional needs and priorities and to coordinate funding with AHEC efforts in nursing education.

The Board of Governors shall track these funds separately in order to provide data on the costs of providing these programs, including the different costs for various methods of delivery of educational programs. The Board of Governors shall provide for evaluation of these off-campus programs, including comparisons to the costs and quality of on-campus delivery of similar programs, as well as the impact on access to higher education and the educational attainment levels of North Carolina residents. The Board shall provide a preliminary report to the General Assembly by May 1, 2000, and subsequent evaluations, including recommendations for changes, shall be made at least biennially to the Joint Legislative Education Oversight Committee.

Requested by: Senators Winner, Rand, Representatives Arnold, Grady, Preston, Morgan

UNC HEALTH CARE SYSTEM GOVERNANCE/MANAGEMENT FLEXIBILITY -- EAST CAROLINA UNIVERSITY MEDICAL FACULTY PRACTICE PLAN MANAGEMENT FLEXIBILITY

Section 11.8. (a) G.S. 116-37 reads as rewritten:

~~"§ 116-37. University of North Carolina Hospitals at Chapel Hill.~~

~~(a) Composition. -- The Board of Governors of the University of North Carolina is hereby directed to create a board of directors for the University of North Carolina Hospitals at Chapel Hill consisting of 12 members of which nine shall be appointed by the Board of Governors. Three members ex officio of said board shall be the University of North Carolina at Chapel Hill Vice-Chancellor for Health Affairs, University of North Carolina at Chapel Hill Vice-Chancellor for Business and Finance, and the Dean of the University of North Carolina at Chapel Hill Medical School, or successors to these offices under other titles with similar responsibilities. Nine members shall be appointed from the business and professional public-at-large, none of whom shall be Governors of the University, and, thereafter, the nine appointive members shall select one of their number to serve as chairman. Members of this board shall include, but not be limited to, persons with special competence in business management, hospital administration, and medical practice not affiliated with University faculty. The Governors may remove any member for cause. Board members, other than ex officio members, shall each receive such per diem and necessary travel and subsistence expenses while engaged in the discharge of their official duties as is provided by law for members of State boards and commissions generally.~~

~~(a1) Appointment to Board. -- Each of the nine persons who, as of June 30, 1989, is serving as an appointed member of the Board shall be reassigned by the Governors, each to a different term, ending June 30, 1989, June 30, 1990, June 30, 1991, June 30, 1992,~~

~~June 30, 1993, June 30, 1994, June 30, 1995, June 30, 1996, or June 30, 1997. After July 1, 1989, the term of office for new appointments shall commence on July 1, and all members shall serve for four-year terms; provided, however, that no person may be appointed to (i) more than three full four-year terms in succession, or (ii) a four-year term if preceded immediately by 12 years of service. Resignation from a term of office shall not constitute a break in service for the purpose of this subsection. Board member vacancies shall be filled by the Governors for the remainder of the unexpired term.~~

~~(b) Meetings and Powers of Board. -- The board of directors shall meet at least every 60 days and may hold special meetings at any time and place within the State at the call of its chairman. The board of directors shall make rules, regulations, and policies governing the management and operation of the University of North Carolina Hospitals at Chapel Hill, consistent with basic State statutes and procedures, to meet the goals of education, research, patient care, and community service. The board's action on matters within its jurisdiction is final, except that appeals may be made, in writing, to the Board of Governors with a copy of the appeal to the University administration. The board of directors shall elect and may remove the executive director of the University of North Carolina Hospitals at Chapel Hill. The board of directors may enter into formal agreements with the University of North Carolina at Chapel Hill, Division of Health Affairs, with respect to the provision of clinical experience for students and may also enter into formal agreements with the University of North Carolina at Chapel Hill for the provision of maintenance and supporting services.~~

~~(c) Executive Director. -- The chief administrative officer of the University of North Carolina Hospitals at Chapel Hill shall be the executive director, who shall be appointed by the board of directors to serve at its pleasure. The executive director shall administer the affairs of the University of North Carolina Hospitals at Chapel Hill subject to the duly adopted policies, rules, and regulations of the board of directors, including the appointment, promotion, demotion, and discharge of all personnel. The executive director shall report to the board of directors quarterly or more often as required. The executive director will serve as secretary to the board of directors.~~

~~(d) Personnel. -- The University of North Carolina Hospitals at Chapel Hill shall maintain a personnel office for personnel administration. Notwithstanding the provisions of Chapter 126 of the General Statutes to the contrary, the Board of Directors of the University of North Carolina Hospitals at Chapel Hill shall establish policies and rules governing the study and implementation of competitive position classification and compensation plans for registered and licensed practical nurse positions that have been approved by the Board of Directors. These plans shall provide for minimum, maximum, and intermediate rates of pay, and may include provisions for range revisions and shift premium pay and for salary adjustments to address internal inequities, job performance, and market conditions. The Office of State Personnel shall review the classification and compensation plans on an annual basis. All changes in compensation plans for these registered and licensed practical nurse positions shall be submitted to the Office of State Personnel upon implementation.~~

~~(e) Finances. -- The University of North Carolina Hospitals at Chapel Hill shall be subject to the provisions of the Executive Budget Act. There shall be maintained a business and budget office to administer the budget and financial affairs of the University of North Carolina Hospitals at Chapel Hill. The executive director, subject to the board of directors, shall be responsible for all aspects of budget preparation, budget execution, and expenditure reporting. Subject to the approval of the Director of the Budget: All operating funds of the University of North Carolina Hospitals at Chapel Hill may be budgeted and disbursed through a special fund code, all receipts of the University of North Carolina~~

~~Hospitals at Chapel Hill may be deposited directly to the special fund code; and general fund appropriations for support of the University of North Carolina Hospitals at Chapel Hill may be budgeted in a general fund code under a single purpose, "Contribution to University of North Carolina Hospitals at Chapel Hill Operations" and be transferable to the special fund operating code as receipts. Prior to taking any action under this subsection, the Director of the Budget may consult with the Advisory Budget Commission.~~

~~(e1) Finances -- Patient/Hospital Benefit. -- The Executive Director of the University of North Carolina Hospitals at Chapel Hill or the Director's designee, may expend operating budget funds, including State funds, of the University of North Carolina Hospitals at Chapel Hill for the direct benefit of a patient, when, in the judgment of the Executive Director or the Director's designee, the expenditure of these funds would result in a financial benefit to the University of North Carolina Hospitals at Chapel Hill. Any such expenditures are declared to result in the provision of medical services and create charges of the University of North Carolina Hospitals at Chapel Hill for which the hospitals may bill and pursue recovery in the same way as allowed by law for recovery of other hospitals' charges for services that are unpaid.~~

~~These expenditures shall be limited to no more than seven thousand five hundred dollars ($7,500) per patient per admission and shall be restricted (i) to situations in which a patient is financially unable to afford ambulance or other transportation for discharge; (ii) to afford placement in an after-care facility pending approval of third party entitlement benefits; (iii) to assure availability of a bed in an after-care facility after discharge from the hospitals; (iv) to secure equipment or other medically appropriate services after discharge; (v) or to pay health insurance premiums. The Executive Director or the Director's designee shall reevaluate at least once a month the cost-effectiveness of any continuing payment on behalf of a patient.~~

~~To the extent that the University of North Carolina Hospitals at Chapel Hill advance anticipated government entitlement benefits for a patient's benefit, for which the patient later receives a lump sum "backpay" award from an agency of the State, whether for the current admission or subsequent admission, the State agency shall withhold from this backpay an amount equal to the sum advanced on the patient's behalf by the University of North Carolina Hospitals at Chapel Hill, if, prior to the disbursement of the backpay, the applicable State program has received notice from the University of North Carolina Hospitals at Chapel Hill of the advancement.~~

~~(f) Purchases. -- The University of North Carolina Hospitals at Chapel Hill shall be subject to all provisions of Articles 3 and 3A of Chapter 143 of the General Statutes relating to the Department of Administration, Purchase and Contract Division. There shall be maintained a purchasing office to handle all purchasing requirements of the University of North Carolina Hospitals at Chapel Hill. The Purchase and Contract Division may enter into such arrangements with the board of directors as the Division may deem necessary in consideration of the special requirements of the University of North Carolina Hospitals at Chapel Hill for procurement of certain supplies, materials, equipments and services.~~

~~(g) Property. -- The board of directors shall be responsible to the University Board of Governors for the maintenance, operation, and control of the University of North Carolina Hospitals at Chapel Hill and grounds.~~

~~(h) Patient Information. -- The University of North Carolina Hospitals at Chapel Hill shall, at the earliest possible opportunity, specifically make a verbal and written request to each patient to disclose the patient's Social Security number, if any. If the patient does not disclose that number, the University of North Carolina Hospitals at Chapel Hill shall deny benefits, rights and privileges of the University of North Carolina Hospitals at Chapel Hill~~

~~to the patient as soon as practical, to the maximum extent permitted by federal law or federal regulations. The University of North Carolina Hospitals at Chapel Hill shall make the disclosure to the patient required by Section 7(b) of P.L. 93-579. This subsection is supplementary to G.S. 105A-3(c).~~

"§ 116-37. University of North Carolina Health Care System.

(a) Creation of System. --

(1) There is hereby established the University of North Carolina Health Care System, effective November 1, 1998, which shall be governed and administered as an affiliated enterprise of The University of North Carolina in accordance with the provisions of this section, to provide patient care, facilitate the education of physicians and other health care providers, conduct research collaboratively with the health sciences schools of the University of North Carolina at Chapel Hill, and render other services designed to promote the health and well-being of the citizens of North Carolina.

(2) As of November 1, 1998, all of the rights, privileges, liabilities, and obligations of the board of directors of the University of North Carolina Hospitals at Chapel Hill, not inconsistent with the provisions of this section, shall be transferred to and assumed by the board of directors of the University of North Carolina Health Care System.

(3) The University of North Carolina Hospitals at Chapel Hill and the clinical patient care programs established or maintained by the School of Medicine of the University of North Carolina at Chapel Hill shall be governed by the board of directors of the University of North Carolina Health Care System.

(4) With respect to the provisions of subsections (d), (e), (f), (h), (i), (j), and (k) of this section, the board of directors may adopt policies that make the authorities and responsibilities established by one or more of said subsections separately applicable either to the University of North Carolina Hospitals at Chapel Hill or to the clinical patient care programs of the School of Medicine of the University of North Carolina at Chapel Hill, or to both.

(5) To effect an orderly transition, the policies and procedures of the clinical patient care programs of the School of Medicine of the University of North Carolina at Chapel Hill and of the University of North Carolina Hospitals at Chapel Hill effective as of October 31, 1998, shall remain effective in accordance with their terms until changed by the Board of Directors of the University of North Carolina Health Care System.

(b) Board of Directors. -- There is hereby established a board of directors of the University of North Carolina Health Care System, effective November 1, 1998.

(1) The board of directors initially shall be composed as follows:

a. A minimum of six members ex officio of said board shall be the President of The University of North Carolina (or the President's designee); the Chief Executive Officer of the University of North Carolina Health Care System; two administrative officers of the University of North Carolina at Chapel Hill designated by the Chancellor of that institution; and two members of the faculty of the School of Medicine of the University of North Carolina at Chapel Hill designated by the Dean of the School of Medicine;

provided, that if not such a member ex officio by virtue of holding one or more of the offices aforementioned, additional ex officio memberships shall be held by the President of the University of North Carolina Hospitals at Chapel Hill and the Dean of the School of Medicine of the University of North Carolina at Chapel Hill, for a total potential ex officio membership of eight.

b. No less than nine and no more than 21 members at large, which number shall be determined by the board of directors, shall be appointed for four-year terms, commencing on November 1 of the year of appointment; provided, that the initial class of at-large members shall include the persons who hold the appointed memberships on the board of directors of the University of North Carolina Hospitals at Chapel Hill incumbent as of October 31, 1998, with their terms of membership on the board of directors of the University of North Carolina Health Care System to expire on the last day of October of the year in which their term as a member of the board of directors of the University of North Carolina Hospitals at Chapel Hill would have expired. Vacant at-large positions shall be filled by the appointment of persons from the business and professional public at large who have special competence in business management, hospital administration, health care delivery, or medical practice or who otherwise have demonstrated dedication to the improvement of health care in North Carolina, and who are neither members of the Board of Governors, members of the board of trustees of a constituent institution of The University of North Carolina, nor officers or employees of the State. Members shall be appointed by the President of the University, and ratified by the Board of Governors, from among a slate of nominations made by the board of directors of the University of North Carolina Health Care System, said slate to include at least twice as many nominees as there are vacant positions to be filled. No member may be appointed to more than two full four-year terms in succession; provided, that persons holding appointed memberships on November 1, 1998, by virtue of their previous membership on the board of directors of the University of North Carolina Hospitals at Chapel Hill, shall not be eligible, for a period of one year following expiration of their term, to be reappointed to the board of directors of the University of North Carolina Health Care System. Any vacancy in an unexpired term shall be filled by an appointment made by the President, and ratified by the Board of Governors, upon the nomination of the board of directors, for the balance of the term remaining.

(2) The board of directors, with each ex officio and at-large member having a vote, shall elect a chairman from among the at-large members, for a term of two years; no person shall be eligible to serve as chairman for more than three terms in succession.

(3) The board of directors of the University of North Carolina Health Care System shall meet at least every 60 days and may hold special meetings

at any time and place within the State at the call of the chairman. Board members, other than ex officio members, shall receive the same per diem and reimbursement for travel expenses as members of the State boards and commissions generally.

(4) In meeting the patient-care, educational, research, and public-service goals of the University of North Carolina Health Care System, the board of directors is authorized to exercise such authority and responsibility and adopt such policies, rules, and regulations as it deems necessary and appropriate, not inconsistent with the provisions of this section or the policies of the Board of Governors. The board may authorize any component of the University of North Carolina Health Care System, including the University of North Carolina Hospitals at Chapel Hill, to contract in its individual capacity, subject to such policies and procedures as the board of directors may direct. The board of directors may enter into formal agreements with the University of North Carolina at Chapel Hill with respect to the provision of clinical experience for students and for the provision of maintenance and supporting services. The board's action on matters within its jurisdiction is final, except that appeals may be made, in writing, to the Board of Governors with a copy of the appeal to the Chancellor of the University of North Carolina at Chapel Hill. The board of directors shall keep the Board of Governors and the board of trustees of the University of North Carolina at Chapel Hill fully informed about health care policy and recommend changes necessary to maintain adequate health care delivery, education, and research for improvement of the health of the citizens of North Carolina.

(c) Officers. --

(1) The executive and administrative head of the University of North Carolina Health Care System shall have the title of 'Chief Executive Officer.' The board of directors, in cooperation with the board of trustees and the Chancellor of the University of North Carolina at Chapel Hill, following such search process as the boards and the Chancellor deem appropriate, shall identify, in cooperation with the Chancellor, two or more persons as candidates for the office, who, pursuant to criteria agreed upon by the boards and the Chancellor, have the qualifications for both the positions of Chief Executive Officer and Vice-Chancellor for Medical Affairs of the University of North Carolina at Chapel Hill. The names of the candidates so identified shall be forwarded by the Chancellor to the President of The University of North Carolina, who if satisfied with the quality of one or more of the candidates, will nominate one as Chief Executive Officer, subject to selection by the Board of Governors. The Chief Executive Officer shall have complete executive and administrative authority to formulate proposals for, recommend the adoption of, and implement policies governing the programs and activities of the University of North Carolina Health Care System, subject to all requirements of the board of directors.

(2) The executive and administrative head of the University of North Carolina Hospitals at Chapel Hill shall have the title of 'President of the University of North Carolina Hospitals at Chapel Hill.'

(3) The board of directors shall elect, on nomination of the Chief Executive Officer, the President of the University of North Carolina Hospitals at Chapel Hill, and such additional administrative and professional staff employees as may be deemed necessary to assist in fulfilling the duties of the office of the Chief Executive Officer, all of whom shall serve at the pleasure of the Chief Executive Officer.

(d) Personnel. -- Employees of the University of North Carolina Health Care System shall be deemed to be employees of the State and shall be subject to all provisions of State law relevant thereto; provided, however, that except as to the provisions of Articles 5, 6, 7, and 14 of Chapter 126 of the General Statutes, the provisions of Chapter 126 shall not apply to employees of the University of North Carolina Health Care System, and the policies and procedures governing the terms and conditions of employment of such employees shall be adopted by the board of directors; provided, that with respect to such employees as may be members of the faculty of the University of North Carolina at Chapel Hill, no such policies and procedures may be inconsistent with policies established by, or adopted pursuant to delegation from, the Board of Governors of The University of North Carolina.

(1) The board of directors shall fix or approve the schedules of pay, expense allowances, and other compensation and adopt position classification plans for employees of the University of North Carolina Health Care System.

(2) The board of directors may adopt or provide for rules and regulations concerning, but not limited to, annual leave, sick leave, special leave with full pay or with partial pay supplementing workers' compensation payments for employees injured in accidents arising out of and in the course of employment, working conditions, service awards and incentive award programs, grounds for dismissal, demotion, or discipline, other personnel policies, and any other measures that promote the hiring and retention of capable, diligent, and effective career employees. However, an employee who has achieved career State employee status as defined by G.S. 126-1.1 by October 31, 1998, shall not have his or her compensation reduced as a result of this subdivision. Further, an employee who has achieved career State employee status as defined by G.S. 126-1.1 by October 31, 1998, shall be subject to the rules regarding discipline or discharge that were effective on October 31, 1998, and shall not be subject to the rules regarding discipline or discharge adopted after October 31, 1998.

(3) The board of directors may prescribe the office hours, workdays, and holidays to be observed by the various offices and departments of the University of North Carolina Health Care System.

(4) The board of directors may establish boards, committees, or councils to conduct hearings upon the appeal of employees who have been suspended, demoted, otherwise disciplined, or discharged, to hear employee grievances, or to undertake any other duties relating to personnel administration that the board of directors may direct.

The board of directors shall submit all initial classification and pay plans and other rules and regulations adopted pursuant to subdivisions (1) through (4) of this subsection to the Office of State Personnel for review upon adoption by the board. Any subsequent changes to these plans, rules, and policies adopted by the board shall be submitted to the Office of State Personnel for review. Any comments by the Office of State Personnel

shall be submitted to the Chief Executive Officer and to the President of The University of North Carolina.

(e) Finances. -- The University of North Carolina Health Care System shall be subject to the provisions of the Executive Budget Act. The Chief Executive Officer, subject to the board of directors, shall be responsible for all aspects of budget preparation, budget execution, and expenditure reporting. All operating funds of the University of North Carolina Health Care System may be budgeted and disbursed through special fund codes, maintaining separate auditable accounts for the University of North Carolina Hospitals at Chapel Hill and the clinical patient care programs of the School of Medicine of the University of North Carolina at Chapel Hill. All receipts of the University of North Carolina Health Care System may be deposited directly to the special fund codes, and General Fund appropriations for support of the University of North Carolina Hospitals at Chapel Hill shall be budgeted in a General Fund code under a single purpose, `Contribution to University of North Carolina Hospitals at Chapel Hill Operations' and be transferable to a special fund operating code as receipts.

(f) Finances -- Patient/Health Care System Benefit. -- The Chief Executive Officer of the University of North Carolina Health Care System, or the Chief Executive Officer's designee, may expend operating budget funds, including State funds, of the University of North Carolina Health Care System for the direct benefit of a patient, when, in the judgment of the Chief Executive Officer or the Chief Executive Officer's designee, the expenditure of these funds would result in a financial benefit to the University of North Carolina Health Care System. Any such expenditures are declared to result in the provision of medical services and create charges of the University of North Carolina Health Care System for which the health care system may bill and pursue recovery in the same way as allowed by law for recovery of other health care systems' charges for services that are unpaid.

These expenditures shall be limited to no more than seven thousand five hundred dollars ($7,500) per patient per admission and shall be restricted (i) to situations in which a patient is financially unable to afford ambulance or other transportation for discharge; (ii) to afford placement in an after-care facility pending approval of third-party entitlement benefits; (iii) to assure availability of a bed in an after-care facility after discharge from the hospitals; (iv) to secure equipment or other medically appropriate services after discharge; or (v) to pay health insurance premiums. The Chief Executive Officer or the Chief Executive Officer's designee shall reevaluate at least once a month the cost-effectiveness of any continuing payment on behalf of a patient.

To the extent that the University of North Carolina Health Care System advances anticipated government entitlement benefits for a patient's benefit, for which the patient later receives a lump-sum `back-pay' award from an agency of the State, whether for the current admission or subsequent admission, the State agency shall withhold from this back pay an amount equal to the sum advanced on the patient's behalf by the University of North Carolina Health Care System, if, prior to the disbursement of the back pay, the applicable State program has received notice from the University of North Carolina Health Care System of the advancement.

(g) Reports. -- The Chief Executive Officer and the President of The University of North Carolina jointly shall report by September 30 of each year on the operations and financial affairs of the University of North Carolina Health Care System to the Joint Legislative Commission on Governmental Operations. The report shall include the actions taken by the board of directors under the authority granted in subsections (d), (h), (i), and (j) of this section.

(h) Purchases. -- Notwithstanding the provisions of Articles 3, 3A, and 3C of Chapter 143 of the General Statutes to the contrary, the board of directors shall establish policies and regulations governing the purchasing requirements of the University of North Carolina Health Care System. These policies and regulations shall provide for requests for proposals, competitive bidding, or purchasing by means other than competitive bidding, contract negotiations, and contract awards for purchasing supplies, materials, equipment, and services which are necessary and appropriate to fulfill the clinical, educational, research, and community service missions of the University of North Carolina Health Care System. The board of directors shall submit all initial policies and regulations adopted pursuant to this subsection to the Division of Purchase and Contract for review upon adoption by the board. Any subsequent changes to these policies and regulations adopted by the board shall be submitted to the Division of Purchase and Contract for review. Any comments by the Division of Purchase and Contract shall be submitted to the Chief Executive Officer and to the President of The University of North Carolina.

(i) Property. -- Notwithstanding the provisions of Article 6 of Chapter 146 of the General Statutes to the contrary, the board of directors shall establish rules and regulations to perform the functions otherwise prescribed for the Department of Administration in acquiring or disposing of any interest in real property for the use of the University of North Carolina Health Care System. These rules and regulations shall include provisions for development of specifications, advertisement, and negotiations with owners for acquisition by purchase, gift, lease, or rental, but not by condemnation or exercise of eminent domain, on behalf of the University of North Carolina Health Care System. This section does not authorize the board of directors to encumber real property. The board of directors shall submit all initial policies and regulations adopted pursuant to this subsection to the State Property Office for review upon adoption by the board. Any subsequent changes to these policies and regulations adopted by the board shall be submitted to the State Property Office for review. Any comments by the State Property Office shall be submitted to the Chief Executive Officer and to the President of The University of North Carolina. After review by the Attorney General as to form and after the consummation of any such acquisition, the University of North Carolina Health Care System shall promptly file a report concerning the acquisition or disposition with the Governor and Council of State.

(j) Property -- Construction. -- Notwithstanding G.S. 143-341(3) and G.S. 143-135.1, the board of directors shall adopt policies and procedures with respect to the design, construction, and renovation of buildings, utilities, and other property developments of the University of North Carolina Health Care System requiring the expenditure of public money for:

(1) Conducting the fee negotiations for all design contracts and supervising the letting of all construction and design contracts.

(2) Performing the duties of the Department of Administration, the Office of State Construction, and the State Building Commission under G.S. 133-1.1(d), Article 8 of Chapter 143 of the General Statutes, and G.S. 143-341(3).

(3) Using open-end design agreements.

(4) As appropriate, submitting construction documents for review and approval by the Department of Insurance and the Division of Facility Services of the Department of Health and Human Services.

(5) Using the standard contracts for design and construction currently in use for State capital improvement projects by the Office of State Construction of the Department of Administration.

The board of directors shall submit all initial policies and procedures adopted under this subsection to the Office of State Construction for review upon adoption by the board. Any subsequent changes to these policies and procedures adopted by the board shall be submitted to the Office of State Construction for review. Any comments by the Office of State Construction shall be submitted to the Chief Executive Officer and to the President of The University of North Carolina.

(k) Patient Information. -- The University of North Carolina Health Care System shall, at the earliest possible opportunity, specifically make a verbal and written request to each patient to disclose the patient's social security number, if any. If the patient does not disclose that number, the University of North Carolina Health Care System shall deny benefits, rights, and privileges of the University of North Carolina Health Care System to the patient as soon as practical, to the maximum extent permitted by federal law or federal regulations. The University of North Carolina Health Care System shall make the disclosure to the patient required by Section 7(b) of P.L. 93-579. This subsection is supplementary to G.S. 105A-3(c)."

(b) G.S. 126-5 is amended by adding a new subsection to read:

"(c8) Except as to the provisions of Articles 5, 6, 7, and 14 of this Chapter, the provisions of this Chapter shall not apply to:

(1) Employees of the University of North Carolina Health Care System.

(2) Employees of the University of North Carolina Hospitals at Chapel Hill, as may be provided pursuant to G.S. 116-37(a)(4).

(3) Employees of the clinical patient care programs of the School of Medicine of the University of North Carolina at Chapel Hill as may be provided pursuant to G.S. 116-37(a)(4).

(4) Employees of the Medical Faculty Practice Plan, a division of the School of Medicine of East Carolina University."

(c) G.S. 143-56 reads as rewritten:

"§ 143-56. Certain purchases excepted from provisions of Article.

Unless as may otherwise be ordered by the Secretary of Administration, the purchase of supplies, materials and equipment through the Secretary of Administration shall be mandatory in the following cases:

(1) Published books, manuscripts, maps, pamphlets and periodicals.

(2) Perishable articles such as fresh vegetables, fresh fish, fresh meat, eggs, and others as may be classified by the Secretary of Administration.

Purchase through the Secretary of Administration shall not be mandatory for a purchase of supplies, materials or equipment for the General Assembly if the total expenditures is less than the expenditure benchmark established under the provisions of ~~G.S. 143-53.1~~ G.S. 143-53.1, for group purchases made by hospitals through a competitive bidding purchasing program, as defined in ~~G.S. 143-129.~~ G.S. 143-29, by the University of North Carolina Health Care System pursuant to G.S. 116-37(h), by the University of North Carolina Hospitals at Chapel Hill pursuant to G.S. 116-37(a)(4), by the University of North Carolina at Chapel Hill on behalf of the clinical patient care programs of the School of Medicine of the University of North Carolina at Chapel Hill pursuant to G.S. 116-37(a)(4), or by East Carolina University on behalf of the Medical Faculty Practice Plan pursuant to G.S. 116-40.6(c).

All purchases of the above articles made directly by the departments, institutions and agencies of the State government shall, whenever possible, be based on competitive bids. Whenever an order is placed or contract awarded for such articles by any of the departments, institutions and agencies of the State government, a copy of such order or

contract shall be forwarded to the Secretary of Administration and a record of the competitive bids upon which it was based shall be retained for inspection and review."

(d) G.S. 146-22 reads as rewritten:

"§ 146-22. All acquisitions to be made by Department of Administration.

Every acquisition of land on behalf of the State or any State agency, whether by purchase, condemnation, lease, or rental, shall be made by the Department of Administration and approved by the Governor and Council of State; provided that if the proposed acquisition is a purchase of land with an appraised value of at least twenty-five thousand dollars ($25,000), and the acquisition is for other than a transportation purpose, the acquisition may only be made after consultation with the Joint Legislative Commission on Governmental ~~Operations.~~ Operations, and provided further, that acquisitions on behalf of the University of North Carolina Health Care System shall be made in accordance with G.S. 116-37(i), acquisitions on behalf of the University of North Carolina Hospitals at Chapel Hill shall be made in accordance with G.S. 116-37(a)(4), acquisitions on behalf of the clinical patient care programs of the School of Medicine of the University of North Carolina at Chapel Hill shall be made in accordance with G.S. 116-37(a)(4), and acquisitions on behalf of the Medical Faculty Practice Plan of the East Carolina University School of Medicine shall be made in accordance with G.S. 116-40.6(d). In determining whether the appraised value is at least twenty-five thousand dollars ($25,000), the value of the property in fee simple shall be used. The State may not purchase land as a tenant-in-common without consultation with the Joint Legislative Commission on Governmental Operations if the appraised value of the property in fee simple is at least twenty-five thousand dollars ($25,000)."

(e) G.S. 133-1.1(d) reads as rewritten:

"(d) On projects on which no registered architect or engineer is required pursuant to the provisions of this section, the governing board or awarding authority shall require a certificate of compliance with the State Building Code from the city or county inspector for the specific trade or trades involved or from a registered architect or engineer, except that the provisions of this subsection shall not apply on projects (i) wherein plans and specifications are approved by the Department of Administration, Division of State Construction, and the completed project is inspected by the Division of State Construction and the State Electrical Inspector, (ii) that are exempt from the State Building Code, ~~or~~ (iii) that are subject to G.S. 116-31.11 and the completed project is inspected by the State Electrical Inspector and by The University of North Carolina or its constituent or affiliated ~~institution.~~ institution, (iv) that are subject to G.S. 116-37(j) and the completed project is inspected by the State Electrical Inspector and by the University of North Carolina Health Care System, (v) that are subject to G.S. 116-37(a)(4) and the completed project is inspected by the State Electrical Inspector and by the University of North Carolina Hospitals at Chapel Hill, (vi) that are subject to G.S. 116-37(a)(4) and the completed project is inspected by the State Electrical Inspector and the University of North Carolina at Chapel Hill on behalf of the clinical patient care programs of the School of Medicine of The University of North Carolina, or (vii) that are subject to G.S. 116-40.6(e) and the completed project is inspected by the State Electrical Inspector and by East Carolina University on behalf of the Medical Faculty Practice Plan."

(f) Chapter 116 of the General Statutes is amended by adding the following new section:

"§ 116-40.6. East Carolina University Medical Faculty Practice Plan.

(a) Medical Faculty Practice Plan. -- The 'Medical Faculty Practice Plan', a division of the School of Medicine of East Carolina University, operates clinical programs and

facilities for the purpose of providing medical care to the general public and training physicians and other health care professionals.

(b) Personnel. -- Employees of the Medical Faculty Practice Plan shall be deemed to be employees of the State and shall be subject to all provisions of State law relevant thereto; provided, however, that except as to the provisions of Articles 5, 6, 7, and 14 of Chapter 126 of the General Statutes, the provisions of Chapter 126 shall not apply to employees of the Medical Faculty Practice Plan, and the policies and procedures governing the terms and conditions of employment of such employees shall be adopted by the Board of Trustees of East Carolina University; provided, that with respect to such employees as may be members of the faculty of East Carolina University, no such policies and procedures may be inconsistent with policies established by, or adopted pursuant to delegation from, the Board of Governors of The University of North Carolina. Such policies and procedures shall be implemented on behalf of the Medical Faculty Practice Plan by a personnel office maintained by East Carolina University.

(1) The board of trustees shall fix or approve the schedules of pay, expense allowances, and other compensation, and adopt position classification plans for employees of the Medical Faculty Practice Plan.

(2) The board of trustees may adopt or provide for rules and regulations concerning, but not limited to, annual leave, sick leave, special leave with full pay, or with partial pay supplementing workers' compensation payments for employees injured in accidents arising out of and in the course of employment, working conditions, service awards, and incentive award programs, grounds for dismissal, demotion, or discipline, other personnel policies, and any other measures that promote the hiring and retention of capable, diligent, and effective career employees. However, an employee who has achieved career State employee status as defined by G.S. 126-1.1 by October 31, 1998, shall not have his or her compensation reduced as a result of this subdivision. Further, an employee who has achieved career State employee status as defined by G.S. 126-1.1 by October 31, 1998, shall be subject to the rules regarding discipline or discharge that were effective on October 31, 1998, and shall not be subject to the rules regarding discipline or discharge adopted after October 31, 1998.

(3) The board of trustees may prescribe the office hours, workdays, and holidays to be observed by the various offices and departments of the Medical Faculty Practice Plan.

(4) The board of trustees may establish boards, committees, or councils to conduct hearings upon the appeal of employees who have been suspended, demoted, otherwise disciplined, or discharged, to hear employee grievances, or to undertake any other duties relating to personnel administration that the board of trustees may direct.

The board of trustees shall submit all initial classification and pay plans, and other rules and regulations adopted pursuant to subdivisions (1) through (4) of this subsection to the Office of State Personnel for review upon adoption by the board. Any subsequent changes to these plans, rules, and policies adopted by the board shall be submitted to the Office of State Personnel for review. Any comments by the Office of State Personnel shall be submitted to the Chancellor of East Carolina University and the President of The University of North Carolina.

(c) Purchases. -- Notwithstanding the provisions of Articles 3, 3A, and 3C of Chapter 143 of the General Statutes to the contrary, the Board of Trustees of East Carolina

University shall establish policies and regulations governing the purchasing requirements of the Medical Faculty Practice Plan. These policies and regulations shall provide for requests for proposals, competitive bidding, or purchasing by means other than competitive bidding, contract negotiations, and contract awards for purchasing supplies, materials, equipment, and services which are necessary and appropriate to fulfill the clinical and educational missions of the Medical Faculty Practice Plan. Pursuant to such policies and regulations, purchases for the Medical Faculty Practice Plan shall be effected by a purchasing office maintained by East Carolina University. The board of trustees shall submit all initial policies and regulations adopted under this subsection to the Division of Purchase and Contract for review upon adoption by the board. Any subsequent changes to these policies and regulations adopted by the board shall be submitted to the Division of Purchase and Contract for review. Any comments by the Division of Purchase and Contract shall be submitted to the Chancellor of East Carolina University and to the President of The University of North Carolina.

(d) Property. -- Notwithstanding the provisions of Article 6 of Chapter 146 of the General Statutes to the contrary, the board of trustees shall establish rules and regulations to perform the functions otherwise prescribed for the Department of Administration in acquiring or disposing of any interest in real property for the use of the Medical Faculty Practice Plan. These rules and regulations shall include provisions for development of specifications, advertisement, and negotiations with owners for acquisition by purchase, gift, lease, or rental, but not by condemnation or exercise of eminent domain, on behalf of the Medical Faculty Practice Plan. This section does not authorize the board of trustees to encumber real property. Such rules and regulations shall be implemented by a property office maintained by East Carolina University. The board of trustees shall submit all initial rules and regulations adopted pursuant to this subsection to the State Property Office for review upon adoption. Any subsequent changes to these rules and regulations shall be submitted to the State Property Office for review. Any comments by the State Property Office shall be submitted to the Chancellor of East Carolina University and to the President of The University of North Carolina. After review by the Attorney General as to form and after the consummation of any such acquisition, East Carolina University shall promptly file, on behalf of the Medical Faculty Practice Plan, a report concerning the acquisition or disposition with the Governor and Council of State.

(e) Property -- Construction. -- Notwithstanding G.S. 143-341(3) and G.S. 143-135.1, the board of trustees shall adopt policies and procedures to be implemented by the administration of East Carolina University, with respect to the design, construction, and renovation of buildings, utilities, and other property developments for the use of the Medical Faculty Practice Plan, requiring the expenditure of public money for:

(1) Conducting the fee negotiations for all design contracts and supervising the letting of all construction and design contracts.

(2) Performing the duties of the Department of Administration, the Office of State Construction, and the State Building Commission under G.S. 133-1.1(d), Article 8 of Chapter 143 of the General Statutes, and G.S. 143-341(3).

(3) Using open-end design agreements.

(4) As appropriate, submitting construction documents for review and approval by the Department of Insurance and the Division of Facility Services of the Department of Health and Human Services.

(5) Using the standard contracts for design and construction currently in use for State capital improvement projects by the Office of State Construction of the Department of Administration.

The board of trustees shall submit all initial policies and procedures adopted under this subsection to the Office of State Construction for review upon adoption by the board. Any subsequent changes to these policies and procedures adopted by the board shall be submitted to the Office of State Construction for review. Any comments by the Office of State Construction shall be submitted to the Chancellor of East Carolina University and to the President of The University of North Carolina."

(g) G.S. 96-8(6)k. is amended by adding a new paragraph to read:

"19. Service performed as a resident by an individual who has completed a four-year course in medical school chartered or approved pursuant to State law, provided that the service is performed for and while in the employment of a nonprofit organization created to provide medical services to a targeted socio-economically disadvantaged group within this State."

(h) This section becomes effective November 1, 1998.

Requested by: Senators Lee, Winner, Representatives Arnold, Grady, Preston

UNC APPLICATIONS POOL

Section 11.9. The Board of Governors of The University of North Carolina shall create a system that provides for the sharing of selected applications for admissions from North Carolina residents among the constituent institutions. The intent of the system shall be to increase the number of qualified North Carolina high school graduates who participate in higher education by providing information about applicants to other schools as well as providing information to applicants about alternative higher education opportunities in North Carolina. The Board of Governors may cooperate with the State Board of Community Colleges and with the private colleges and universities in North Carolina in creating such a system.

The Board of Governors shall report on its progress in developing such a system to the Joint Legislative Education Oversight Committee by January 15, 1999.

Requested by: Senators Lee, Winner, Plyler, Representatives Arnold, Grady, Preston

PRIVATE COLLEGES/INCENTIVE FUNDS

Section 11.10. G.S. 116-20 reads as rewritten:

"§ 116-20. Scholarship and contract terms; base period.

In order to encourage and assist private institutions to educate additional numbers of North Carolinians, the Board of Governors of the University of North Carolina is hereby authorized to enter into contracts within the institutions under the terms of which an institution receiving any funds that may be appropriated pursuant to this section would agree that, during any fiscal year in which such funds were received, the institution would provide and administer scholarship funds for needy North Carolina students in an amount at least equal to the amount paid to the institution, pursuant to this section, during the fiscal year. Under the terms of the contracts the Board of Governors of the University of North Carolina would agree to pay to the institutions, subject to the availability of funds, a fixed sum of money for each North Carolina student enrolled as of October 1 of any year for which appropriated funds may be available, over and above the number of North Carolina students enrolled in that institution as of October 1, ~~1970,~~ 1997, which shall be the base date for the purpose of this calculation. Funds appropriated pursuant to this section shall be paid by the ~~Department of Administration~~ State Education Assistance Authority to an institution upon recommendation of the Board of Governors of the University of North Carolina and on certification of the institution showing the number of North Carolina students enrolled at the institution as of October 1 of any year for which

funds may be appropriated over the number enrolled on the base date. In the event funds are appropriated for expenditure pursuant to this section and funds are also appropriated, for the same fiscal year, for expenditure pursuant to G.S. 116-19, students who are enrolled at an institution in excess of the number enrolled on the base date may be counted under this section for the purpose of calculating the amount to be paid to the institution, but the same students may ~~not~~ also be counted under G.S. 116-19, for the purpose of calculating payment to be made under that section."

Requested by: Senators Lee, Winner, Perdue, Odom, Plyler, Representatives Arnold, Grady, Preston, Oldham

SUSTAINABLE OYSTER AQUACULTURE STUDY

Section 11.11. (a) Of the funds appropriated in this act to the Board of Governors of The University of North Carolina for fiscal year 1998-99, the sum of two hundred thousand dollars ($200,000) shall be allocated to the Institute of Marine Sciences at the University of North Carolina at Chapel Hill to study the potential for sustainable oyster aquaculture of triploid Crassostrea sikamea (Kumamoto), triploid Crassostrea ariakensis (Suminoe), triploid Crassostrea gigas (Pacific), and triploid Ostrea edulis (European flat). Testing shall be carried out under a variety of environmental conditions, including, but not limited to, the evaluation of oyster growth of each type of oyster in polluted waters and the ability of each type of oyster to purify polluted waters.

(b) The Primary Investigator or Researcher receiving funding pursuant to subsection (a) of this section shall provide progress reports to the Joint Legislative Commission on Seafood and Aquaculture, the Environmental Review Commission, the Marine Fisheries Commission, and the Fiscal Research Division on January 1 and July 1 of each year until the project or study is complete. Upon completion of the project or study, the Primary Investigator or Researcher shall provide a final report of its findings and recommendations to the above entities.

Requested by: Representatives Arnold, Grady, Preston, Oldham, Senators Lee, Winner, Dalton, Purcell

ALIGN UNC PROFESSIONAL DEVELOPMENT PROGRAMS

Section 11.12. (a) G.S. 116-11 is amended by adding a new subdivision to read:

"(12b) The Board of Governors of The University of North Carolina shall create a Board of Directors for the UNC Center for School Leadership Development. The Board of Governors shall determine the powers and duties of the Board of Directors."

(b) The Board of Governors of The University of North Carolina shall further study and recommend to the Joint Legislative Education Oversight Committee, by December 15, 1998, any statutory or other organizational changes to assure oversight and coordination of program components of the UNC Center for School Leadership Development, including whether or not there are reasons that existing boards of these professional development programs should not be made advisory to the Board of Directors of the UNC Center for School Leadership Development.

(c) The Model Teacher Consortium funded in the Department of Public Instruction and its related budget, powers, duties, functions, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds of the Model Teacher Consortium are transferred from the Department of Public Instruction to the Board of Governors of The University of North Carolina effective January 1, 1999. The

Board of Governors shall coordinate the program within the UNC Center for School Leadership Development.

Requested by: Senators Lee, Winner, Dalton, Purcell, Perdue, Representatives Arnold, Grady, Preston, Oldham,

INCREASE THE NUMBER OF SCHOOL ADMINISTRATOR PROGRAMS THAT MAY BE ESTABLISHED BY UNC BOARD OF GOVERNORS

Section 11.13. (a) G.S. 116-74.21(b) reads as rewritten:

"(b) No more than ~~eight~~ nine school administrator programs shall be established under the competitive proposal program. In selecting campus sites, the Board of Governors shall be sensitive to the racial, cultural, and geographic diversity of the State. Special priority shall be given to the following factors: (i) the historical background of the institutions in training educators; (ii) the ability of the sites to serve the geographic regions of the State, such as, the far west, the west, the triad, the piedmont, and the east; and, (iii) whether the type of roads and terrain in a region make commuting difficult. A school administrator program may provide for instruction at one or more campus sites."

(b) The Board of Governors of The University of North Carolina shall include the Master of School Administration program at North Carolina State University in Raleigh as one of the nine school administrator programs established pursuant to G.S. 116-74.21. In providing this program, North Carolina State University shall cooperate with North Carolina Central University and the University of North Carolina at Chapel Hill through the use of distance education methodologies and sharing of faculty expertise.

Requested by: Senators Winner, Lee, Dalton, Purcell, Representatives Arnold, Preston, Oldham

UNC TECHNOLOGY INITIATIVE

Section 11.14. The Board of Governors of The University of North Carolina shall allocate one million dollars ($1,000,000) for the "Learn NC" Initiative at the University of North Carolina at Chapel Hill from funds appropriated in this act for technology.

Requested by: Representative Creech

FOREST BIOTECHNOLOGY/NCSU FUNDS

Section 11.15. Of the funds appropriated in this act to the Board of Governors of The University of North Carolina, the sum of one hundred two thousand seven hundred seventy dollars ($102,770) for the 1998-99 fiscal year shall be allocated to the Forest Biotechnology Group at North Carolina State University for faculty or technical positions and operating funds.

PART XII. DEPARTMENT OF HEALTH AND HUMAN SERVICES

SUBPART 1. ADMINISTRATION

Requested by: Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell, Representatives Gardner, Cansler, Clary, Howard

STANDARDS FOR HEALTH CARE QUALITY AND ACCESS/EXTEND REPORTING DATE

Section 12. Section 11.5(a) of S.L. 1997-443 reads as rewritten:

"(a) The Secretary of the Department of Health and Human ~~Resources~~ Services shall prepare proposed standards to ensure that the citizens of the State have access to quality

and affordable health care with special emphasis on health care for children. The proposed standards shall be presented to the General Assembly on or before ~~April 1, 1998.~~ May 1, 1999."

Requested by: Representatives Gardner, Cansler, Clary, Howard, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

HOSPITAL FACILITY AUDITED COST REPORT DUE DATE

Section 12.1A. G.S. 131D-4.2(e) reads as rewritten:

"(e) ~~The first audited cost report shall be for the period from January 1, 1995, through September 30, 1995, and shall be due March 1, 1996. Thereafter, the~~ Except as otherwise provided in this subsection, the annual reporting period for facilities licensed pursuant to this Chapter or Chapter 131E of the General Statutes shall be October 1 through September 30, with the annual report due by the following December 31, unless the Department determines there is good cause for delay. The annual report for combination facilities and free-standing adult care home facilities owned and operated by a hospital shall be due 15 days after the hospital's Medicare cost report is due. The annual report for combination facilities not owned and operated by a hospital shall be due 15 days after the nursing facility's Medicaid cost report is due. The annual reporting period for facilities licensed pursuant to Chapter 122C of the General Statutes shall be July 1 through June 30, with the annual report due by the following December 31, unless the Department determines there is good cause for delay. Under this subsection, good cause is an action that is uncontrollable by the provider. If the Department finds good cause for delay, it may extend the deadline for filing a report for up to an additional 30 days."

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

OFFICE OF STRATEGIC PLANNING

Section 12.2. It is the intent of the General Assembly that the Department of Health and Human Services provide coordinated and strategic planning for the State's health and human services. The Department shall study the advisability of creating an Office of Strategic Planning in the Office of the Secretary of Health and Human Services. The Director of the Office of Strategic Planning would report directly to the Secretary and would have the following responsibilities:

(1) Implementing ongoing strategic planning that integrates budget, personnel, and resources with the mission and operational goals of the Department;

(2) Improving program functioning and performance within the agency, across agency lines, and with non-State agencies; and

(3) Reviewing, disseminating, monitoring, and evaluating best practice models.

The Department shall report its findings and recommendations, which shall include the advantages and disadvantages of creating an Office of Strategic Planning and projected costs of implementation. The report shall be made to the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources and shall be submitted not later than March 15, 1999.

Requested by: Senator Martin of Guilford, Representative Gardner

MODIFY SETOFF DEBT COLLECTION PROCEDURE

Section 12.3A. (a) G.S. 105A-3(b) reads as rewritten:

"(b) (Effective until January 1, 2000) All claimant agencies shall submit, for collection under the procedure established by this Article, all debts which they are owed, except debts ~~that they are advised by the Attorney General not to submit because~~ for which the agency determines that the validity of the debt is legitimately in dispute, ~~because~~ an alternative means of collection is pending and believed to be adequate, or ~~because~~ such a collection attempt would result in a loss of federal funds."

(b) G.S. 105A-3(b) reads as rewritten:

"(b) (Effective January 1, 2000) Mandatory State Usage. -- A State agency must submit a debt owed to it for collection under this Chapter unless the State Controller has waived this requirement or the ~~Attorney General has advised the State agency not to submit the debt because~~ State agency has determined that the validity of the debt is legitimately in dispute, ~~because~~ an alternative means of collection is pending and believed to be adequate, or ~~because~~ such a collection attempt would result in a loss of federal funds. The State Controller may waive the requirement for a State agency, other than the Department of Health and Human Services or a county acting on behalf of that Department, to submit a debt owed to it for collection under this Chapter if the State Controller finds that collection by this means would not be practical or cost effective. A waiver may apply to all debts owed a State agency or a type of debt owed a State agency."

(c) The State Controller, in consultation with the Attorney General, shall develop guidelines for State agencies to use in determining under G.S. 105A-3(b) when the validity of a debt is legitimately in dispute, when an alternative means of collection may be considered adequate, and when a collection attempt would result in a loss of federal funds.

(d) Subsection (b) of this section becomes effective January 1, 2000. The remainder of this section is effective when it becomes law. Subsection (a) of this section expires January 1, 2000.

Requested by: Representatives Gardner, Cansler, Clary, Howard, Nye, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell, Plyler, Perdue, Odom

NORTH CAROLINA BOARD OF PHARMACY/WAIVER FOR DISASTERS AND EMERGENCIES/RULES PERTAINING TO MAIL DELIVERY OF DISPENSED LEGEND DRUGS

Section 12.3B. (a) G.S. 90-85.25 reads as rewritten:

"§ 90-85.25. ~~Disaster reports.~~ Disasters and emergencies.

(a) In the event of an occurrence which the Governor of the State of North Carolina has declared a disaster or when the Governor has declared a state of emergency, or in the event of an occurrence for which a county or municipality has enacted an ordinance to deal with states of emergency under G.S. 14-288.12, 14-288.13, or 14-288.14, or to protect the public health, safety, or welfare of its citizens under G.S. 160A-174(a) or G.S. 153A-121(a), as applicable, the Board may waive the requirements of this Article in order to permit the provision of drugs, devices, and professional services to the public.

(b) The pharmacist in charge of a pharmacy shall report within 10 days to the Board any disaster, accident, theft, or emergency which may affect the strength, purity, or labeling of drugs and devices in the pharmacy."

(b) G.S. 90-85.21A reads as rewritten:

"§ 90-85.21A. Applicability to out-of-state operations.

(a) Any pharmacy operating outside the State which ships, mails, or delivers in any manner a dispensed legend drug into this State shall annually register with the Board on a form provided by the Board.

(b) Any pharmacy subject to this section shall at all times maintain a valid unexpired license, permit, or registration necessary to conduct such pharmacy in compliance with the laws of the state in which such pharmacy is located. No pharmacy operating outside the State may ship, mail, or deliver in any manner a dispensed legend drug into this State unless such drug is lawfully dispensed by a licensed pharmacist in the state where the pharmacy is located.

(c) The Board shall be entitled to charge and collect not more than two hundred fifty dollars ($250.00) for original registration of a pharmacy under this section, and for renewal thereof, not more than one hundred twenty-five dollars ($125.00).

(d) The Board may deny a nonresident pharmacy registration upon a determination that the pharmacy has a record of being formally disciplined in its home state for violations that relate to the compounding or dispensing of legend drugs and presents a threat to the public health and safety.

(e) Except as otherwise provided in this subsection, ~~The~~ the Board may adopt rules to protect the public health and safety that are ~~needed~~ necessary to implement this section. Notwithstanding G.S. 90-85.6, the Board shall not adopt rules pertaining to the shipment, mailing, or other manner of delivery of dispensed legend drugs by pharmacies required to register under this section that are more restrictive than federal statutes or regulations governing the delivery of prescription medications by mail or common carrier. A pharmacy required to register under this section shall comply with ~~these rules.~~ rules adopted pursuant to this section.

(f) The Board may deny, revoke, or suspend a nonresident pharmacy registration for failure to comply with any requirement of this section."

(c) G.S. 90-85.32 reads as rewritten:

"§ 90-85.32. ~~Filling and refilling regulations.~~ Rules pertaining to filling, refilling, transfer, and mail or common-carrier delivery of prescription orders.

(a) ~~The~~ Except as otherwise provided in this section, the Board may ~~promulgate~~ adopt rules governing the filling, refilling and transfer of prescription orders not inconsistent with other provisions of law regarding the distribution of drugs and devices. ~~Such regulations~~ The rules shall assure the safe and secure distribution of drugs and devices. Prescriptions marked PRN shall not be refilled more than one year after the date issued by the prescriber unless otherwise specified.

(b) Notwithstanding G.S. 90-85.6, the Board shall not adopt rules pertaining to the shipment, mailing, or other manner of delivery of dispensed legend drugs that are more restrictive than federal statutes or regulations governing the delivery of prescription medications by mail or common carrier."

(d) This section is effective when this act becomes law.

Requested by: Representatives Gardner, Cansler, Clary, Howard, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

COLLABORATIVE EFFORT TO IMPROVE QUALITY OF ACADEMIC PROGRAMS AT RESIDENTIAL SCHOOLS/PROGRAM REVIEW OF DISABILITY SERVICES

Section 12.3C. (a) The Department of Health and Human Services, the State Board of Education, and the superintendents or their designees of the Burke, Guilford, Wake, and Wilson local education agencies shall work together to develop and implement strategies for strengthening the relationship between the agencies and the Governor Morehead School and the three residential schools for the deaf over the next five years. The goal of this collaborative effort is to improve the quality of the academic programs at the residential schools and to utilize more fully and effectively the unique resources and

expertise available on these residential campuses to the benefit of visually impaired and hearing-impaired students statewide. This collaborative effort shall identify, at a minimum, the following:

(1) Strategies for assisting in the implementation of the Standard Course of Study and the ABCs Program on the residential campuses;

(2) Opportunities for collaboration and sharing of resources in other areas such as staff development, student exchange, transportation, and use of technology;

(3) The best and most feasible ways to assure responsible management and operation of the academic programs on the residential campuses, including the option of transferring direct responsibility for managing these programs to the local education agencies; and

(4) The best and most feasible ways to assure responsible management and operation of the Department's preschool programs, including the option of transferring direct responsibility for managing the preschool programs to the local education agencies.

The Department of Health and Human Services, the State Board of Education, and the designated representatives of the Burke, Guilford, Wake, and Wilson local education agencies shall submit a joint report to the Joint Legislative Education Oversight Committee, the House of Representatives Appropriations Subcommittee on Human Resources, the Senate Appropriations Committee on Human Resources, and the Fiscal Research Division on the results of the effort required under this section. The report shall be submitted no later than April 1, 1999.

(b) The Department of Health and Human Services shall conduct a comprehensive review of the policies, programs, and services managed by the Divisions of Vocational Rehabilitation, Services for the Blind, and Services for the Deaf and Hard of Hearing, and shall recommend organizational changes to improve the Department's effectiveness in serving citizens with disabilities. As part of this review, the Department shall evaluate the feasibility of integrating adult services into a single Division of Disability Services and creating the position of Superintendent within the Department to manage the Governor Morehead School, the residential schools for the deaf, and related early intervention services.

Any proposal of reorganization by the Department shall address the following:

(1) Ensuring the visibility and integrity of specialized services to visually impaired and deaf and hard-of-hearing adults;

(2) Providing a mechanism for advocates and consumers of disability services to advise the Department on policy related to service delivery; and

(3) Establishing procedures for addressing client complaints concerning services provided by the Department.

The Secretary shall report the results and recommendations of this review to the members of the House of Representatives Appropriations Subcommittee on Human Resources and the Senate Appropriations Committee on Human Resources, not later than April 1, 1999.

(c) Section 2 of S.L. 1998-131 reads as rewritten:

"Section 2. Effective March 1, 1998, the Secretary of Health and Human Services also shall make changes in the administrative organization of the Department of Health and Human Services and of the Governor Morehead School and the three schools for the deaf with a view to (i) improving student academic performance in the residential schools, (ii)

promoting economy and efficiency in government in the interest of producing cost savings that can be used to redirect funds to the residential schools for teaching, textbooks, school supplies, technology, equipment, and staff development, and (iii) increasing school-based decision making and parental involvement. The Secretary may, in his discretion, extend this section to additional residential programs. The Secretary shall make necessary changes in the mission of the residential schools and of the Department of Health and Human Services as it pertains to the residential schools. The Secretary shall develop a plan for reducing, eliminating, and/or reorganizing the Department of Health and Human Services and each residential school. A reorganization may include the assignment or reassignment of the Department's duties and functions among divisions and other units, division heads, officers, and employees.

The proposed reduction, elimination, and/or reorganization of the Department shall have a goal of resulting in a decrease of at least fifty percent (50%) in the number of employee positions currently assigned to the Division of Services for the Blind and the Division of Services for the Deaf and Hard of Hearing for the purpose of providing assistance to, management of, or education programs in the residential schools, and a redirection to the instructional programs in the residential schools by January 1, 1999, of at least fifty percent (50%) in the Department's budget that currently is maintained by the Department to administer the residential schools and their programs. The proposed reduction, elimination, and/or reorganization of the residential schools shall have a goal of resulting in a decrease of at least fifty percent (50%) in the number of employee positions currently filled by administrators or supervisors.

The Secretary shall report to the ~~Legislative Commission on Public Schools and to the~~ cochairs of the Appropriations ~~Subcommittee~~ Subcommittees on Education and Health and Human Services of the Senate and the House of Representatives by ~~December 15, 1998,~~ April 15, 1999, on the reduction, elimination, and/or reorganization plan it develops."

Requested by: Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell, Representatives Gardner, Cansler, Clary, Howard

AREA MENTAL HEALTH/ELDERLY HOUSING NONRECURRING PROJECT FUNDS

Section 12.4. (a) Notwithstanding G.S. 143-15.3C, of the funds in the Work First Reserve Fund, the sum of five hundred thousand dollars ($500,000) shall be appropriated pursuant to G.S. 108A-27.16 to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 1998-99 fiscal year for Developmental Disabilities Services for wait list management.

(b) Notwithstanding G.S. 143-15.3C, of the funds in the Work First Reserve Fund, the sum of two million dollars ($2,000,000) is appropriated to the Housing Trust Fund for affordable housing for the elderly.

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford, Russell, G. Wilson

FUNDS FOR CAPITAL IMPROVEMENTS/SHELTERED WORKSHOPS

Section 12.4A. Of the funds appropriated in this act to the Department of Health and Human Services, the sum of five hundred thousand dollars ($500,000) for the 1998-99 fiscal year shall be used to provide grants-in-aid for capital improvements at sheltered workshop facilities. The Department shall develop guidelines for awarding

grants. Grant awards shall be based on greatest need and shall not exceed fifty thousand dollars ($50,000) per grant recipient.

SUBPART 2. MEDICAL ASSISTANCE

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

MEDICAID GROWTH REDUCTION

Section 12.5. Section 11.10 of S.L. 1997-443 reads as rewritten:

"Section 11.10. (a) The Department of ~~Human Resources~~ Health and Human Services shall develop and implement a plan that is designed to reduce the growth of Medicaid to eight percent (8%) by the year 2001. However, the Department shall not eliminate categories of eligibles or categories of services to achieve this reduction unless the General Assembly identifies specific categories of eligibles or categories of services that it wants eliminated.

(b) The Division of Medical Assistance, Department of ~~Human Resources,~~ Health and Human Services, shall consider the following actions in developing the plan to reduce Medicaid growth:

(1) Changes in the methods of reimbursement;
(2) Changes in the method of determining or limiting inflation factors or both;
(3) Recalibration of existing methods of reimbursement;
(4) Develop more specific criteria for determining medical necessity of services;
(5) Contracting for services;
(6) Application of limits on specific numbers of slots or expenditure levels for certain services or both;
(7) Expansion of managed care; and
(8) Recommend changes in statutes to enhance the ability of the Department to manage the program.

(c) In considering the actions listed in subsection (b) of this section and in the development of the Medicaid growth reduction plan, the Division of Medical Assistance, Department of ~~Human Resources,~~ Health and Human Services, shall not adjust reimbursement rates to levels which would cause Medicaid providers of service to be out of compliance with certification requirements, licensure rules, or other mandated quality or safety standards.

(d) The Division of Medical Assistance, Department of ~~Human Resources,~~ Health and Human Services, may make periodic progress reports to the ~~Chairs~~ members of the ~~House and Senate Appropriations Subcommittees on Human Resources~~ Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources and shall make a final report no later than September 1, 1997, on any actions the Department intends to take to meet the required reductions for 1998-99. The Division of Medical Assistance shall not implement any of these actions until after the intended actions have been reported to the ~~Chairs.~~ members.

(e) The Division of Medical Assistance, Department of ~~Human Resources,~~ Health and Human Services, shall report to the ~~Chairs~~ members of the ~~House and Senate Appropriations Subcommittees on Human Resources~~ Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources by ~~April 1, 1998,~~ February 1, 1999, on the final plan to reduce Medicaid growth to eight percent (8%) by the year 2001."

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

RULES GOVERNING TRANSFER OF MEDICAID BENEFITS BETWEEN COUNTIES

Section 12.6. Chapter 108A of the General Statutes is amended by inserting a new section to read:

"**§ 108A-57.1. Rules governing transfer of medical assistance benefits between counties.**

Any recipient of medical assistance who moves from one county to another county of this State shall continue to receive medical assistance if eligible. The county director of social services of the county from which the recipient has moved shall transfer all necessary records relating to the recipient to the county director of social services of the county to which the recipient has moved. The county from which the recipient has moved shall pay the county portion of the nonfederal share of medical assistance payments paid for services provided to the recipient during the month following the recipient's move. Thereafter, the county to which the recipient has moved shall pay the county portion of the nonfederal share of medical assistance payments paid for the services provided to the recipient."

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

CONTINUOUS MEDICAID COVERAGE FOR CATEGORICALLY NEEDY FAMILIES WITH CHILDREN

Section 12.7. (a) Section 11.11 of S.L. 1997-443 is amended by inserting a new subsection to read:

"(n1) Medicaid enrollment of categorically needy families with children shall be continuous for one year without regard to changes in income or assets."

(b) The Department of Health and Human Services shall study the effect of this section on both the Medicaid Program and the Health Insurance Program for Children. The Department shall make an interim report on the results of this study to the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources by October 1, 1999, and shall make a final report by January 1, 2000.

(c) Subsection (a) of this section becomes effective 90 days after this act becomes law.

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

ALLOCATION OF G.S. 143-23.2 MEDICAID FUNDS

Section 12.8. Of the funds transferred to the Department of Health and Human Services for Medicaid programs pursuant to G.S. 143-23.2, thirteen million dollars ($13,000,000) shall be allocated as prescribed by G.S. 143-23.2(b) for Medicaid programs. Notwithstanding the prescription in G.S. 143-23.2(b) that these funds not reduce State general revenue funding, these funds shall replace the thirteen million dollar ($13,000,000) reduction in general revenue funding effected in this act.

Requested by: Senator Martin of Guilford, Representatives Cansler, Clary

DISPOSITION OF DISPROPORTIONATE SHARE RECEIPT CHANGE

Section 12.10. (a) Disproportionate share receipts reserved at the end of the 1997-98 fiscal year shall be deposited with the Department of State Treasurer as a nontax revenue for the 1998-99 fiscal year.

(b) For the 1998-99 fiscal year, as it receives funds associated with Disproportionate Share Payments from the State hospitals, the Department of Health and

Human Services, Division of Medical Assistance, shall deposit up to eighty-five million dollars ($85,000,000) of these Disproportionate Share Payments to the Department of State Treasurer for deposit as nontax revenues. Any Disproportionate Share Payments collected in excess of the eighty-five million dollars ($85,000,000) shall be reserved by the State Treasurer for future appropriations.

Requested by: Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell, Representatives Gardner, Cansler, Clary

CHILD HEALTH INSURANCE STUDY/OTHER CHANGES

Section 12.12. (a) The Department of Health and Human Services shall conduct a study to identify Department programs where savings in State funds could be realized because some or all of the services provided by the programs are now provided under the Health Insurance Program for Children. The Department shall report its findings to members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources not later than March 1, 1999.

(b) The Office of State Budget and Management shall examine the expenditures and services of State agencies other than the Department of Health and Human Services to determine whether the expenditures and services could be covered under the State Health Insurance Program for Children. The study shall also examine services provided by non-State agencies and funded in whole or in part with State funds. The Office of State Budget and Management shall report its findings to members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources not later than March 1, 1999.

(c) G.S. 143-682, as enacted by Section 3 of S.L. 1998-1 Extra Session, reads as rewritten:

"§ 143-682. Commission established.

(a) There is established the Commission on Children With Special Health Care Needs. The Department of Health and Human Services shall provide staff services and space for Commission meetings. The purpose of the Commission is to monitor and evaluate the availability and provision of health services to special needs children in this State, and to monitor and evaluate services provided to special needs children under the Health Insurance Program for Children established under Part 8 of Article 2 of Chapter 108A of the General Statutes.

(b) The Commission shall consist of ~~seven~~ eight members appointed by the Governor, as follows:

(1) ~~A parent of a special needs child;~~ Two parents, not of the same family, each of whom has a special needs child. In appointing parents, the Governor shall consider appointing one parent of a child with chronic illness and one parent of a child with a developmental disability or behavioral disorder.

(2) A licensed psychiatrist recommended by the North Carolina Psychiatric Association;

(3) A licensed psychologist recommended by the North Carolina Psychological Association;

(4) A licensed pediatrician whose practice includes services for special needs children, recommended by the Pediatric Society of North Carolina;

(5) A representative of one of the children's hospitals in the State, recommended by the Pediatric Society of North Carolina;

(6) A local public health director recommended by the Association of Local Health Directors; and

(7) An educator providing education services to special needs children, recommended by the North Carolina Council of Administrators of Special Education.

(c) The Governor shall appoint from among Commission members the person who shall serve as chair of the Commission. Of the initial appointments, two shall serve one-year terms, ~~two~~ three shall serve two-year terms, and three shall serve three-year terms. Thereafter, terms shall be for two years. Vacancies occurring before expiration of a term shall be filled from the same appointment category in accordance with subsection (b) of this section."

Requested by: Representatives Gardner, Cansler, Clary, Howard, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

MEDICAID/REPORTING ANTICIPATED CHANGES

Section 12.12B. (a) Section 11.11 of S.L. 1997-443 reads as rewritten:

"Section 11.11. (a) Funds appropriated in this act for services provided in accordance with Title XIX of the Social Security Act (Medicaid) are for both the categorically needy and the medically needy. Funds appropriated for these services shall be expended in accordance with the following schedule of services and payment bases. All services and payments are subject to the language at the end of this subsection.

Services and payment bases:

(1) Hospital-Inpatient - Payment for hospital inpatient services will be prescribed in the State Plan as established by the Department of ~~Human Resources.~~ Health and Human Services. Administrative days for any period of hospitalization shall be limited to a maximum of three days.

(2) Hospital-Outpatient - Eighty percent (80%) of allowable costs or a prospective reimbursement plan as established by the Department of ~~Human Resources.~~ Health and Human Services.

(3) Nursing Facilities - Payment for nursing facility services will be prescribed in the State Plan as established by the Department of ~~Human Resources.~~ Health and Human Services. Nursing facilities providing services to Medicaid recipients who also qualify for Medicare, must be enrolled in the Medicare program as a condition of participation in the Medicaid program. State facilities are not subject to the requirement to enroll in the Medicare program.

(4) Intermediate Care Facilities for the Mentally Retarded - As prescribed in the State Plan as established by the Department of ~~Human Resources.~~ Health and Human Services.

(5) Drugs - Drug costs as allowed by federal regulations plus a professional services fee per month excluding refills for the same drug or generic equivalent during the same month. Reimbursement shall be available for up to six prescriptions per recipient, per month, including refills. Payments for drugs are subject to the provisions of subsection (h) of this section and to the provisions at the end of subsection (a) of this section, or in accordance with the State Plan adopted by the Department of ~~Human Resources~~ Health and Human Services consistent with federal reimbursement regulations. Payment of the professional services fee shall be made in accordance with the State Plan adopted by the Department of ~~Human Resources,~~ Health and

Human Services, consistent with federal reimbursement regulations. The professional services fee shall be five dollars and sixty cents ($5.60) per prescription. Adjustments to the professional services fee shall be established by the General Assembly.

(6) Physicians, Chiropractors, Podiatrists, Optometrists, Dentists, Certified Nurse Midwife Services - Fee schedules as developed by the Department of ~~Human Resources.~~ Health and Human Services. Payments for dental services are subject to the provisions of subsection (g) of this section.

(7) Community Alternative Program, EPSDT Screens - Payment to be made in accordance with rate schedule developed by the Department of ~~Human Resources.~~ Health and Human Services.

(8) Home Health and Related Services, Private Duty Nursing, Clinic Services, Prepaid Health Plans, Durable Medical Equipment - Payment to be made according to reimbursement plans developed by the Department of ~~Human Resources.~~ Health and Human Services.

(9) Medicare Buy-In - Social Security Administration premium.

(10) Ambulance Services - Uniform fee schedules as developed by the Department of ~~Human Resources.~~ Health and Human Services.

(11) Hearing Aids - Actual cost plus a dispensing fee.

(12) Rural Health Clinic Services - Provider-based, reasonable cost; nonprovider-based, single-cost reimbursement rate per clinic visit.

(13) Family Planning - Negotiated rate for local health departments. For other providers - see specific services, for instance, hospitals, physicians.

(14) Independent Laboratory and X-Ray Services - Uniform fee schedules as developed by the Department of ~~Human Resources.~~ Health and Human Services.

(15) Optical Supplies - One hundred percent (100%) of reasonable wholesale cost of materials.

(16) Ambulatory Surgical Centers - Payment as prescribed in the reimbursement plan established by the Department of ~~Human Resources.~~ Health and Human Services.

(17) Medicare Crossover Claims - An amount up to the actual coinsurance or deductible or both, in accordance with the State Plan, as approved by the Department of ~~Human Resources.~~ Health and Human Services.

(18) Physical Therapy and Speech Therapy - Services limited to EPSDT eligible children. Payments are to be made only to qualified providers at rates negotiated by the Department of ~~Human Resources.~~ Health and Human Services.

(19) Personal Care Services - Payment in accordance with the State Plan approved by the Department of ~~Human Resources.~~ Health and Human Services.

(20) Case Management Services - Reimbursement in accordance with the availability of funds to be transferred within the Department of ~~Human Resources.~~ Health and Human Services.

(21) Hospice - Services may be provided in accordance with the State Plan developed by the Department of ~~Human Resources.~~ Health and Human Services.

(22) Other Mental Health Services - Unless otherwise covered by this section, coverage is limited to agencies meeting the requirements of the rules established by the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services, and reimbursement is made in accordance with a State Plan developed by the Department of ~~Human Resources~~ Health and Human Services not to exceed the upper limits established in federal regulations.

(23) Medically Necessary Prosthetics or Orthotics for EPSDT Eligible Children - Reimbursement in accordance with the State Plan approved by the Department of ~~Human Resources.~~ Health and Human Services.

(24) Health Insurance Premiums - Payments to be made in accordance with the State Plan adopted by the Department of ~~Human Resources~~ Health and Human Services consistent with federal regulations.

(25) Medical Care/Other Remedial Care - Services not covered elsewhere in this section include related services in schools; health professional services provided outside the clinic setting to meet maternal and infant health goals; and services to meet federal EPSDT mandates. Services addressed by this paragraph are limited to those prescribed in the State Plan as established by the Department of ~~Human Resources. Providers~~ Health and Human Services. Except for related services in schools, providers of these services shall be certified as meeting program standards of the ~~Department of Environment, Health, and Natural Resources.~~ Department of Health and Human Services, Division of Women's and Children's Health.

(26) Pregnancy Related Services - Covered services for pregnant women shall include nutritional counseling, psychosocial counseling, and predelivery and postpartum home visits by maternity care coordinators and public health nurses.

Services and payment bases may be changed with the approval of the Director of the Budget.

Reimbursement is available for up to 24 visits per recipient per year to any one or combination of the following: physicians, clinics, hospital outpatient, optometrists, chiropractors, and podiatrists. Prenatal services, all EPSDT children, and emergency rooms are exempt from the visit limitations contained in this paragraph. Exceptions may be authorized by the Department of ~~Human Resources~~ Health and Human Services where the life of the patient would be threatened without such additional care. Any person who is determined by the Department to be exempt from the 24-visit limitation may also be exempt from the six-prescription limitation.

(b) Allocation of Nonfederal Cost of Medicaid. The State shall pay eighty-five percent (85%); the county shall pay fifteen percent (15%) of the nonfederal costs of all applicable services listed in this section.

(c) Copayment for Medicaid Services. The Department of ~~Human Resources~~ Health and Human Services may establish copayment up to the maximum permitted by federal law and regulation.

(d) Medicaid and ~~Aid to Families With Dependent Children~~ Work First Family Assistance, Income Eligibility Standards. The maximum net family annual income eligibility standards for Medicaid and ~~Aid to Families with Dependent Children,~~ Work First Family Assistance and the Standard of Need for ~~Aid to Families with Dependent Children~~ Work First Family Assistance shall be as follows:

Categorically Needy Family Size	Standard of Need	Medically Needy AFDC Payment Level*	AA, AB, AD*
1	$ 4,344	$ 2,172	$ 2,900
2	5,664	2,832	3,800
3	6,528	3,264	4,400
4	7,128	3,564	4,800
5	7,776	3,888	5,200
6	8,376	4,188	5,600
7	8,952	4,476	6,000
8	9,256	4,680	6,300

*~~Aid to Families With Dependent Children (AFDC);~~ Work First Family Assistance (WFFA); Aid to the Aged (AA); Aid to the Blind (AB); and Aid to the Disabled (AD).

The payment level for ~~Aid to Families With Dependent Children~~ Work First Family Assistance shall be fifty percent (50%) of the standard of need.

These standards may be changed with the approval of the Director of the Budget with the advice of the Advisory Budget Commission.

(e) All Elderly, Blind, and Disabled Persons who receive Supplemental Security Income are eligible for Medicaid coverage.

(f) ICF and ICF/MR Work Incentive Allowances. The Department of ~~Human Resources~~ Health and Human Services may provide an incentive allowance to Medicaid-eligible recipients of ICF and ICF/MR facilities who are regularly engaged in work activities as part of their developmental plan and for whom retention of additional income contributes to their achievement of independence. The State funds required to match the federal funds that are required by these allowances shall be provided from savings within the Medicaid budget or from other unbudgeted funds available to the Department. The incentive allowances may be as follows:

Monthly Net Wages	Monthly Incentive Allowance
$1.00 to $100.99	Up to $50.00
$101.00 - $200.99	$80.00
$201.00 to $300.99	$130.00
$301.00 and greater	$212.00.

(g) Dental Coverage Limits. Dental services shall be provided on a restricted basis in accordance with rules adopted by the Department to implement this subsection.

(h) Dispensing of Generic Drugs. Notwithstanding G.S. 90-85.27 through G.S. 90-85.31, under the Medical Assistance Program (Title XIX of the Social Security Act) a prescription order for a drug designated by a trade or brand name shall be considered to be an order for the drug by its established or generic name, except when the prescriber personally indicates, either orally or in the prescriber's own handwriting on the prescription order, `dispense as written' or words of similar meaning. Generic drugs, when available in the pharmacy, shall be dispensed at a lower cost to the Medical Assistance Program rather than trade or brand name drugs, subject to the prescriber's `dispense as written' order as noted above.

As used in this subsection `brand name' means the proprietary name the manufacturer places upon a drug product or on its container, label, or wrapping at the time of packaging; and `established name' has the same meaning as in section 502(e)(3) of the Federal Food, Drug, and Cosmetic Act as amended, 21 U.S.C. § 352(e)(3).

(i) Exceptions to Service Limitations, Eligibility Requirements, and Payments. Service limitations, eligibility requirements, and payments bases in this section may be waived by the Department of ~~Human Resources,~~ Health and Human Services, with the approval of the Director of the Budget, to allow the Department to carry out pilot programs for prepaid health plans, managed care plans, or community-based services programs in accordance with plans approved by the United States Department of Health and Human Services, or when the Department determines that such a waiver will result in a reduction in the total Medicaid costs for the recipient.

(j) Volume Purchase Plans and Single Source Procurement. The Department of ~~Human Resources,~~ Health and Human Services, Division of Medical Assistance, may, subject to the approval of a change in the State Medicaid Plan, contract for services, medical equipment, supplies, and appliances by implementation of volume purchase plans, single source procurement, or other similar processes in order to improve cost containment.

(k) Cost Containment Programs. The Department of ~~Human Resources,~~ Health and Human Services, Division of Medical Assistance, may undertake cost containment programs including preadmissions to hospitals and prior approval for certain outpatient surgeries before they may be performed in an inpatient setting.

(l) For all Medicaid eligibility classifications for which the federal poverty level is used as an income limit for eligibility determination, the income limits will be updated each April 1 immediately following publication of federal poverty guidelines.

(m) The Department of ~~Human Resources~~ Health and Human Services shall provide Medicaid to 19-, 20-, and 21-year olds in accordance with federal rules and regulations.

(n) The Department of ~~Human Resources~~ Health and Human Services shall provide coverage to pregnant women and to children according to the following schedule:

(1) Pregnant women with incomes equal to or less than one hundred eighty-five percent (185%) of the federal poverty guidelines as revised each April 1 shall be covered for Medicaid benefits.

(2) Infants under the age of 1 with family incomes equal to or less than one hundred eighty-five percent (185%) of the federal poverty guidelines as revised each April 1 shall be covered for Medicaid benefits.

(3) Children aged 1 through 5 with family incomes equal to or less than one hundred thirty-three percent (133%) of the federal poverty guidelines as revised each April 1 shall be covered for Medicaid benefits.

(4) Children aged 6 through 18 with family incomes equal to or less than the federal poverty guidelines as revised each April 1 shall be covered for Medicaid benefits.

(5) The Department of ~~Human Resources~~ Health and Human Services shall provide Medicaid coverage for adoptive children with special or rehabilitative needs regardless of the adoptive family's income.

Services to pregnant women eligible under this subsection continue throughout the pregnancy but include only those related to pregnancy and to those other conditions determined by the Department as conditions that may complicate pregnancy. In order to reduce county administrative costs and to expedite the provision of medical services to

pregnant women, to infants, and to children described in subdivisions (3) and (4) of this subsection, no resources test shall be applied.

(o) The Department of Human Resources may use Medicaid funds budgeted from program services to support the cost of administrative activities to the extent that these administrative activities produce a net savings in services requirements. Administrative initiatives funded by this section shall be first approved by the Office of State Budget and Management. At the time the Department requests approval from the Office of State Budget and Management, the Department shall report to the Fiscal Research Division and to the House of Representatives Appropriations Subcommittee on Human Resources and the Senate Appropriations Committee on Human Resources that it has made the request for approval and shall include in the report information it has provided in its request for approval.

(p) The Department of ~~Human Resources~~ Health and Human Services shall submit a monthly status report on expenditures for acute care and long-term care services to the Fiscal Research Division and to the Office of State Budget and Management. This report shall include an analysis of budgeted versus actual expenditures for eligibles by category and for long-term care beds. In addition, the Department shall revise the program's projected spending for the current fiscal year and the estimated spending for the subsequent fiscal year on a quarterly basis. Reports for the preceding month shall be forwarded to the Fiscal Research Division and to the Office of State Budget and Management no later than the third Thursday of the month.

(q) The Division of Medical Assistance, Department of ~~Human Resources,~~ Health and Human Services, may provide incentives to counties that successfully recover fraudulently spent Medicaid funds by sharing State savings with counties responsible for the recovery of the fraudulently spent funds.

(r) If first approved by the Office of State Budget and Management, the Division of Medical Assistance, Department of ~~Human Resources,~~ Health and Human Services, may use funds that are identified to support the cost of development and acquisition of equipment and software through contractual means to improve and enhance information systems that provide management information and claims processing.

(s) The Division of Medical Assistance, Department of ~~Human Resources,~~ Health and Human Services, may administer Medicaid estate recovery mandated by the Omnibus Budget Reconciliation Act of 1993, (OBRA 1993), 42 U.S.C. § 1396p(b), and G.S. 108-70.5 using temporary rules pending approval of final rules promulgated pursuant to Chapter 150B of the General Statutes.

(t) The Department of ~~Human Resources~~ Health and Human Services may adopt temporary rules according to the procedures established in G.S. 150B-21.1 when it finds that ~~such~~ these rules are necessary to maximize receipt of federal funds, to reduce Medicaid expenditures, and to reduce fraud and abuse. Prior to the filing of these temporary rules with the Office of Administrative Hearings, the Department shall consult with the Office of State Budget and Management on the possible fiscal impact of the temporary rule and its effect on State appropriations and local governments.

(u) The Department shall report to the Fiscal Research Division of the Legislative Services Office and to the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources or the Joint Legislative Commission on Health Care Oversight on any change it anticipates making in the Medicaid Program that impacts the type or level of service, reimbursement methods, or waivers, any of which require a change in the State Plan or other approval by the Health Care Financing Administration. The reports shall be provided prior to the effective date of any change required to be reported.

(v) If the Department of Health and Human Services obtains a Medicaid waiver to implement two long-term care pilot projects, then the Department shall report the particulars of the waiver, the pilot projects, and the status of implementation to members of the House of Representatives Appropriations Subcommittee on Human Resources, the Senate Appropriations Committee on Human Resources, and the Study Commission on Aging within 30 days of receiving the waiver. The Department shall not expand the pilot project beyond the two initial pilots without first reporting the proposed expansion to the members of the House of Representatives Appropriations Subcommittee on Human Resources and the Senate Appropriations Committee on Human Resources."

(b) The Department of Health and Human Services shall study the effect of subsection (n1) of Section 11.11 of S.L. 1997-443 on both the Medicaid Program and the Health Insurance Program for Children. The Department shall make an interim report on the results of this study to the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources by October 1, 1999, and shall make a final report by January 1, 2000.

(c) G.S. 108A-55(c) reads as rewritten:

"(c) The Department shall reimburse providers of services, equipment, or supplies under the Medical Assistance Program in the following amounts:

(1) The amount approved by the Health Care Financing Administration of the United States Department of Health and Human Services, if that Administration approves an exact reimbursement amount;

(2) The amount determined by application of a method approved by the Health Care Financing Administration of the United States Department of Health and Human Services, if that Administration approves the method by which a reimbursement amount is determined, and not the exact amount.

The Department shall establish the methods by which reimbursement amounts are determined in accordance with Chapter 150B of the General Statutes. A change in a reimbursement amount becomes effective as of the date for which the change is approved by the Health Care Financing Administration of the United States Department of Health and Human Services. The Department shall report to the Fiscal Research Division of the Legislative Services Office and to the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources or the Joint Legislative Commission on Health Care Oversight on any change in a reimbursement amount at the same time as it sends out public notice of this change prior to presentation to the Health Care Financing Administration."

Requested by: Representatives Gardner, Cansler, Clary, Howard, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

PARTICIPATION IN MEDICAID DENTAL PROGRAM

Section 12.12C. It is the goal of the General Assembly to substantially increase the level of participation of dentists in the Medicaid dental program and to improve the Medicaid program's provision of preventive services to Medicaid patients while ensuring program integrity and accountability. To this end, the Department of Health and Human Services shall evaluate and recommend strategies for:

(1) Assisting dentists in increasing the number of their Medicaid patients;

(2) Increasing Medicaid patients' access to quality dental services;

(3) Informing dental professionals on how to better integrate Medicaid patients into their practice; and

(4) Expanding the capacity of local health departments and community health centers to provide properly diagnosed and supervised preventive dental services such as sealant, fluoride, and basic hygiene treatments.

The Department of Health and Human Services shall report to the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources on its progress and recommendations and on any related results of increasing the Medicaid reimbursement rate by April 30, 1999.

The Department of Health and Human Services, in consultation with the North Carolina Dental Society, shall study existing laws and rules and propose changes that will improve the opportunity for quality dental treatment for Medicaid and other patients. The Department shall report the results of this study, including recommended changes to laws or rules, to the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources not later than April 30, 1999.

Requested by: Representatives Gardner, Cansler, Clary, Howard, Holmes, Esposito, Creech, Crawford, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell, Plyler, Perdue, Odom

MEDICAID COVERAGE FOR ELDERLY AND DISABLED PEOPLE

Section 12.12D. The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to all elderly and disabled people who have incomes equal to or less than one hundred percent (100%) of the federal poverty guidelines, as revised each April 1. Coverage authorized under this section shall become effective no earlier than January 1, 1999.

Requested by: Representative Cansler

STUDY OF NEED TO INCREASE PHYSICIAN PAY RATE

Section 12.13. The Joint Legislative Commission on Health Care Oversight shall study the need to increase the rate paid to physicians under the Medicaid program to an amount no greater than the rate paid to physicians under the Medicare program. The Commission shall also identify, from funds available to the Medicaid Program, adequate resources for any proposed increase. The Commission shall report the results of its study to the 1999 General Assembly.

SUBPART 3. FACILITY SERVICES

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

TRANSFER OF CHARITABLE SOLICITATION PROGRAM TO THE SECRETARY OF STATE

Section 12.14. (a) All functions, powers, duties, and obligations previously vested in the Department of Health and Human Services under Chapter 131F of the General Statutes are transferred to and vested in the Department of the Secretary of State as if by a Type I transfer defined in G.S. 143A-6. All statutory authority, powers, duties, functions, records, personnel, property, and unexpended balances of appropriations or other funds of the program transferred pursuant to this section shall be transferred in their entirety.

(b) G.S. 131F-2(7) reads as rewritten:

"(7) `Department' means the Department of ~~Health and Human Services.~~ the Secretary of State."

(c) G.S. 147-36 reads as rewritten:

"§ 147-36. Duties of Secretary of State.

It is the duty of the Secretary of State:

(1) To perform such duties as may then be devolved upon ~~him~~ the Secretary by resolution of the two houses of the General Assembly or either of them;

(2) To attend the Governor, whenever required by ~~him,~~ the Governor, for the purpose of receiving documents which have passed the great seal;

(3) To receive and keep all conveyances and mortgages belonging to the State;

(4) To distribute annually the statutes and the legislative journals;

(5) To distribute the acts of Congress received at ~~his~~ the Secretary's office in the manner prescribed for the statutes of the State;

(6) To keep a receipt book, in which ~~he~~ the Secretary shall take from every person to whom a grant shall be delivered, a receipt for the same; but ~~he~~ may inclose grants by mail in a registered letter at the expense of the grantee, unless otherwise directed, first entering the same upon the receipt book;

(7) To issue charters and all necessary certificates for the incorporation, domestication, suspension, reinstatement, cancellation and dissolution of corporations as may be required by the corporation laws of the State and maintain a record thereof;

(8) To issue certificates of registration of trademarks, labels and designs as may be required by law and maintain a record thereof;

(9) To maintain a Division of Publications to compile data on the State's several governmental agencies and for legislative reference;

(10) To receive, enroll and safely preserve the Constitution of the State and all amendments thereto;

(11) To serve as a member of such boards and commissions as the Constitution and laws of the State may designate;

(12) To administer the Securities Law of the State, regulating the issuance and sale of securities, as is now or may be directed;

(13) To receive and keep all oaths of public officials required by law to be filed in ~~his~~ the Secretary's office, and as Secretary of State, ~~he~~ is fully empowered to administer official oaths to any public official of whom an oath is required; ~~and~~

(14) To receive and maintain a journal of all appointments made to any State board, agency, commission, council or authority which is filed in the office of the Secretary of ~~State.~~ State; and

(15) To regulate the solicitation of contributions pursuant to Chapter 131F of the General Statutes."

(d) This section becomes effective January 1, 1999.

Requested by: Representatives Gardner, Cansler, Clary, Senator Martin of Guilford

ADULT CARE HOME STAFFING RATIO CHANGES/REIMBURSEMENT RATE INCREASE/STAFFING GRANTS

Section 12.16B. (a) Effective January 1, 1999, G.S. 131D-4.3 reads as rewritten:

"§ 131D-4.3. Adult care home rules.

(a) Pursuant to G.S. 143B-153, the Social Services Commission shall adopt rules to ensure at a minimum, but shall not be limited to, the provision of the following by adult care homes:

(1) Client assessment and independent case management;

(2) A minimum of 75 hours of training for personal care aides performing heavy care tasks and a minimum of 40 hours of training for all personal care aides. The training for aides providing heavy care tasks shall be comparable to State-approved Certified Nurse Aide I training. For those aides meeting the 40-hour requirement, at least 20 hours shall be classroom training to include at a minimum:

a. Basic nursing skills;

b. Personal care skills;

c. Cognitive, behavioral, and social care;

d. Basic restorative services; and

e. Residents' rights.

A minimum of 20 hours of training shall be provided for aides in family care homes that do not have heavy care residents. Persons who either pass a competency examination developed by the Department of Health and Human Services, have been employed as personal care aides for a period of time as established by the Department, or meet minimum requirements of a combination of training, testing, and experience as established by the Department shall be exempt from the training requirements of this subdivision;

(3) Monitoring and supervision of residents; ~~and~~

(4) Oversight and quality of care as stated in ~~G.S. 131D-4.1.~~ G.S. 131D-4.1; and

(5) Adult care homes shall comply with all of the following staffing requirements:

a. First shift (morning): 0.4 hours of aide duty for each resident (licensed capacity or resident census), or 8.0 hours of aide duty per each 20 residents (licensed capacity or resident census) plus 3.0 hours for all other residents, whichever is greater;

b. Second shift (afternoon): 0.4 hours of aide duty for each resident (licensed capacity or resident census), or 8.0 hours of aide duty per each 20 residents plus 3.0 hours for all other residents (licensed capacity or resident census), whichever is greater;

c. Third shift (evening): 8.0 hours of aide duty per 30 or fewer residents (licensed capacity or resident census).

In addition to these requirements, the facility shall provide staff to meet the needs of the facility's heavy care residents equal to the amount of time reimbursed by Medicaid. As used in this subdivision, the term `heavy care resident' means an individual residing in an adult care home who is defined `heavy care' by Medicaid and for which the facility is receiving enhanced Medicaid payments for such needs.

(b) Rules to implement this section shall be adopted as emergency rules in accordance with Chapter 150B of the General Statutes. ~~These rules shall be in effect no later than January 1, 1996.~~

(c) The Department may suspend or revoke a facility's license, subject to the provisions of Chapter 150B, to enforce compliance by a facility with this section or to punish noncompliance."

(b) Section 11.70(d) of S.L. 1997-443 reads as rewritten:

"(d) Effective ~~July 1, 1998,~~ October 1, 1998, the maximum monthly rate for residents in adult care home facilities shall be nine hundred ~~fifteen~~ fifty-six dollars ~~($915.00)~~ ($956.00) per month per resident."

(c) Of the funds appropriated in this act to the Department of Health and Human Services, the sum of one million dollars ($1,000,000) for the 1998-99 fiscal year shall be used by the Department for staffing grants for adult care homes as authorized under this subsection. These funds shall be matched equally by county funds. Effective January 1, 1999, grants shall be awarded to those adult care homes that are required to add staff or that have added staff in order to comply with the increase in third shift staffing requirements under G.S. 131D-4.3(a)(5), from eight hours of aide duty per 50 or fewer residents to eight hours of aide duty per 30 or fewer residents, as enacted under subsection (a) of this section. The Department shall determine eligibility for these grants based upon factors which shall include:

(1) Licensed capacity as of August 1, 1998,

(2) Occupancy rate, and

(3) Percentage of residents receiving State and county special assistance of the total residents in the adult care home.

Adult care homes that receive staffing grants under this subsection shall provide documentation to the Department showing that the home has complied with staffing ratios established under G.S. 131D-4.3(a)(5). An adult care home that receives grant funds under this subsection and is found by the Department not to have complied with staffing requirements of G.S. 131D-4.3(a)(5) shall refund to the Department a prorated share of the staffing grant funds received by the adult care home. The Department shall incorporate the staffing grants authorized under this subsection into the existing Special Assistance payment methodology for fiscal year 2000-2001.

Requested by: Representatives Gardner, Cansler, Clary, Howard, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

ADULT CARE HOME BED VACANCIES/EXTENSION

Section 12.16C. (a) Section 11.69(b) of S.L. 1997-443 reads as rewritten:

"(b) ~~From the effective date of this act until 12 months after the effective date of this act,~~ Effective until August 26, 1999, the Department of Health and Human Services shall not approve the addition of any adult care home beds for any type home or facility in the State, except as follows:

(1) Plans submitted for approval prior to May 18, 1997, may continue to be processed for approval;

(2) Plans submitted for approval subsequent to May 18, 1997, may be processed for approval if the individual or organization submitting the plan demonstrates to the Department that on or before August 25, 1997, the individual or organization purchased real property, entered into a contract to purchase or obtain an option to purchase real property, entered into a binding real property lease arrangement, or has otherwise made a binding financial commitment for the purpose of establishing or expanding an adult care home facility. An owner of real property who entered into a contract prior to August 25, 1997, for the sale of an existing building together with land zoned for the development of not more than 50 adult care home beds with a proposed purchaser who failed to consummate the transaction may, after August 25, 1997, sell the property to another purchaser and the Department

may process and approve plans submitted by the purchaser for the development of not more than 50 adult care home beds. It shall be the responsibility of the applicant to establish, to the satisfaction of the Department, that any of these conditions have been met;

(3) Adult care home beds in facilities for the developmentally disabled with six beds or less which are or would be licensed under G.S. 131D or G.S. 122C may continue to be approved;

(4) If the Department determines that the vacancy rate of available adult care home beds in a county is fifteen percent (15%) or less of the total number of available beds in the county as of ~~the effective date of this act~~ August 26, 1997, and no new beds have been approved or licensed in the county or plans submitted for approval in accordance with subdivision (1) or (2) of this section which would raise the vacancy rate above fifteen percent (15%) in the county, then the Department may accept and approve the addition of beds in that county; or

(5) If a county board of commissioners determines that a substantial need exists for the addition of adult care home beds in that county, the board of commissioners may request that a specified number of additional beds be licensed for development in their county. In making their determination, the board of commissioners shall give consideration to meeting the needs of Special Assistance clients. The Department may approve licensure of the additional beds from the first facility that files for licensure and subsequently meets the licensure requirements."

(b) The Division of Facility Services shall notify all persons who have filed plans and received initial approval for a project to develop and construct new adult care facilities but who have not proceeded with the development of the facilities within 18 months of the date of approval, that the project has been classified as inactive. A person who has an approved project may request that the project be placed on inactive status by providing a written statement to the Division that the person does not intend to begin development or construction of the project within the ensuing State fiscal year. Projects classified as inactive may remain in that classification indefinitely. A person whose approved project has been classified as inactive may reactivate the project as approved at any time, without having to reapply for initial approval, by notifying the Division in writing of the intent to proceed with project development and construction. Changes to projects classified as inactive made subsequent to initial approval are subject to approval of the Division.

(c) Section 11.69(d) of S.L. 1997-443 reads as rewritten:

"(d) This section shall not apply to adult care home beds which are part of a continuing care facility subject to the jurisdiction of or licensed by the Department of Insurance pursuant to Article 64, Chapter 58 of the North Carolina General ~~Statutes.~~ Statutes, or to adult care home beds which are part of an application filed with the Department of Health and Human Services prior to August 28, 1997, or between July 1, 1998, and August 1, 1998, pursuant to Article 9 of Chapter 131E of the North Carolina General Statutes."

Requested by: Representatives Gardner, Cansler, Clary, Howard, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

DIVISION OF FACILITY SERVICES/PROPOSE FEE SCHEDULE

Section 12.16D. The Department of Health and Human Services, Division of Facility Services, shall develop a proposed schedule of fees to defray the cost of processing and reviewing construction plans for social and health care facilities and for

conducting physical plant inspections of these facilities. The Department shall report the proposed fee schedule to members of the House of Representatives Appropriations Subcommittee on Human Resources and the Senate Appropriations Committee on Human Resources, and the Joint Legislative Health Care Oversight Committee, not later than December 1, 1998. The report shall include recommended legislation for enactment of the fee schedule by the 1999 General Assembly.

Requested by: Representatives Gardner, Cansler, Clary, Howard, Culp, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

HEALTH CARE PERSONNEL REGISTRY

Section 12.16E. Effective January 1, 1999, G.S. 131E-256 reads as rewritten:

"§ 131E-256. Health Care Personnel Registry.

(a) The Department shall establish and maintain a health care personnel registry containing the names of all health care personnel working in health care facilities in North Carolina who have:

(1) Been subject to findings by the Department of:

a. Neglect or abuse of a resident in a health care facility or a person to whom home care services as defined by G.S. 131E-136 or hospice services as defined by G.S. 131E-201 are being provided.

b. Misappropriation of the property of a resident in a health care facility, as defined in subsection (b) of this section including places where home care services as defined by G.S. 131E-136 or hospice services as defined by G.S. 131E-201 are being provided.

c. Misappropriation of the property of a health care facility.

d. Diversion of drugs belonging to a health care facility or to a patient or client.

e. Fraud against a health care facility or against a patient or client for whom the employee is providing services.

(2) Been accused of any of the acts listed in subdivision (1) of this subsection, but only after the Department has screened the allegation and determined that an investigation is required.

The health care personnel registry shall also contain all findings by the Department of neglect of a resident in a nursing facility or abuse of a resident in a nursing facility or misappropriation of the property of a resident in a nursing facility by a nurse aide that are contained in the nurse aide registry under G.S. 131E-255.

(b) For the purpose of this section, the following are considered to be `health care facilities':

(1) Adult Care Homes as defined in G.S. 131D-2.

(2) Hospitals as defined in G.S. 131E-76.

(3) Home Care Agencies as defined in G.S. 131E-136.

(4) Nursing Pools as defined by G.S. 131E-154.2.

(5) Hospices as defined by G.S. 131E-201.

(6) Nursing Facilities as defined by G.S. 131E-255.

(7) State-Operated Facilities as set forth in G.S. 122C-22.

(8) Residential Facilities and Hospitals for the Mentally Ill, Developmentally Disabled, or Substance Abusers licensed pursuant to G.S. 122C-23.

(c) For the purpose of this section, the following are considered to be `health care personnel':

(1) In an adult care home, an adult care personal aide who is any person who either performs or directly supervises others who perform task functions in activities of daily living which are personal functions essential for the health and well-being of residents such as bathing, dressing, personal hygiene, ambulation or locomotion, transferring, toileting, and eating.

(2) A nurse aide.

(3) An in-home aide or an in-home personal care aide who provides hands-on paraprofessional services.

(4) Unlicensed assistant personnel who provide hands-on care, including, but not limited to, habilitative aides and health care technicians.

(d) Health care personnel who wish to contest ~~a finding~~ findings under subdivision (a)(1) of this section ~~or the placement of information under subdivision (a)(2) of this section~~ are entitled to an administrative hearing as provided by the Administrative Procedure Act, Chapter 150B of the General Statutes. A petition for a contested case shall be filed within 30 days of the mailing of the written notice ~~by certified mail~~ of the Department's intent to place ~~information~~ its findings about the person in the health care personnel registry.

(d1) Health care personnel who wish to contest the placement of information under subdivision (a)(2) of this section are entitled to an administrative hearing as provided by the Administrative Procedure Act, Chapter 150B of the General Statutes. A petition for a contested case hearing shall be filed within 30 days of the mailing of the written notice of the Department's intent to place information about the person in the health care personnel registry under subdivision (a)(2) of this section. Health care personnel who have filed a petition contesting the placement of information in the health care personnel registry under subdivision (a)(2) of this section are deemed to have challenged any findings made by the Department at the conclusion of its investigation.

(e) The Department shall provide an employer or potential employer of any person listed on the health care personnel registry of the nature of the finding or allegation and the status of the investigation.

(f) No person shall be liable for providing any information for the health care personnel registry if the information is provided in good faith. Neither an employer, potential employer, nor the Department shall be liable for using any information from the health care personnel registry if the information is used in good faith for the purpose of screening prospective applicants for employment or reviewing the employment status of an employee.

(g) Upon investigation and documentation, health care facilities shall ensure that the Department is notified of all allegations against health care personnel which appear to a reasonable person to be related to any act listed in subdivision (a)(1) of this section, and shall promptly report to the Department any resulting disciplinary action, demotion, or termination of employment of health care personnel.

(h) The North Carolina Medical Care Commission shall adopt, amend, and repeal all rules necessary for the implementation of this section."

SUBPART 4. AGING

Requested by: Representatives Gardner, Cansler, Clary, Howard, Holmes, Esposito, Creech, Crawford, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell,

Plyler, Perdue, Odom

SENIOR CENTER FUNDS

Section 12.18A. Section 11.17 of S.L. 1997-443 reads as rewritten:

"Section 11.17. (a) Of the funds appropriated in this act to the Department of ~~Human Resources,~~ Health and Human Services, the sum of one million dollars ($1,000,000) for the 1997-98 fiscal year and the sum of two million dollars ($2,000,000) for the 1998-99 fiscal year shall be used to support existing senior centers and to assist in the development of new senior centers. The Department shall allocate funds equally among senior centers throughout the State as determined by the Division of Aging. Expenditures of State funds for senior centers shall not exceed ninety percent (90%) of all funds expended for this purpose.

(b) Of the funds appropriated in this act to the Department of Health and Human Services, the sum of one million five hundred thousand dollars ($1,500,000) for the 1998-99 fiscal year shall be used to provide grants-in-aid for the construction, renovation, and equipping of new senior centers. Grant awards shall not be less than twenty-five thousand dollars ($25,000) per grant award and may not exceed one hundred thousand dollars ($100,000) for each new senior center. Each grant award shall be matched by local funds in the amount of twenty-five percent (25%) of the total grant award."

Requested by: Representatives Gardner, Cansler, Clary, Howard, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

IN-HOME AND CAREGIVER SUPPORT FUNDS

Section 12.19A. Section 11.18 of S.L. 1997-443 reads as rewritten:

"Section 11.18. Of the funds appropriated in this act to the Department of ~~Human Resources,~~ Health and Human Services, Division of Aging, the sum of five million dollars ($5,000,000) for the 1997-98 fiscal year and the sum of ~~five~~ nine million one hundred forty-six thousand forty-four dollars ~~($5,000,000)~~ ($9,146,044) for the 1998-99 fiscal year shall be allocated via the Home and Community Care Block Grant for home and community care services for older persons who are not eligible for Medicaid and who are on the waiting list for these services. These funds shall be used only for direct services. Service recipients shall pay for services based on their income in accordance with G.S. 143B-181.1(a)(10)."

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

FUNDS FOR ALZHEIMER'S ASSOCIATION CHAPTERS IN NC

Section 12.20. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Aging, the sum of one hundred thousand dollars ($100,000) for the 1998-99 fiscal year shall be allocated among the three chapters of the Alzheimer's Association, as follows:

(1) $25,000 for the Western Alzheimer's Chapter;
(2) $50,000 for the Southern Piedmont Alzheimer's Chapter; and
(3) $25,000 for the Eastern Alzheimer's Chapter.

Before funds may be allocated to any Chapter under this section, the Chapter shall submit to the Division of Aging, for its approval, a plan for the use of these funds.

Requested by: Representatives Gardner, Cansler, Clary, Howard, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

FUNDS FOR AREA AGENCIES ON AGING

Section 12.20C. Of the funds appropriated in this act to the Department of Health and Human Services, the sum of nine hundred thousand dollars ($900,000) for the

1998-99 fiscal year shall be allocated equally among the 18 Area Agencies on Aging. These funds shall be used for planning, coordination, and operational activities that enhance each agency's ability to provide services, information, and education to consumers, and to better meet the data and technical assistance needs of providers, local planning committees, and local governments.

SUBPART 5. SOCIAL SERVICES

Requested by: Senators Martin of Guilford, Kinnaird, Lucas, Representatives Gardner, Cansler, Clary

AUTHORIZED ADDITIONAL USE OF HIV FOSTER CARE AND ADOPTION FAMILY FUNDS

Section 12.21. Section 11.23 of S.L. 1997-443 reads as rewritten:

"Section 11.23. (a) In addition to providing board payments to foster and adoptive families of HIV-infected children, as prescribed in Chapter 324 of the 1995 Session Laws, any additional funds remaining that were appropriated ~~in Chapter 324 of the 1995 Session Laws~~ for this purpose shall be used as follows:

(1) To provide medical training in avoiding HIV transmission in the home; and

(2) To ~~transfer~~ provide funds ~~to the Department of Environment, Health, and Natural Resources to create~~ to support three social work positions created within the Department of ~~Environment, Health, and Natural Resources,~~ Health and Human Services, for the eastern part of North Carolina to enable the case managing of families with HIV-infected children so that the children and the parents get access to medical care and so that child protective services issues are addressed rapidly and effectively. The three positions shall be medically based and located:

a. One in the northeast, covering Northampton, Hertford, Halifax, Gates, Chowan, Perquimans, Pasquotank, Camden, Currituck, Bertie, Wilson, Edgecombe, and Nash Counties;

b. One in the central east, covering Martin, Pitt, Washington, Tyrrell, Dare, Hyde, Beaufort, Jones, Greene, Craven, and Pamlico Counties; and

c. One in the southeast, covering New Hanover, Robeson, Brunswick, Carteret, Onslow, Lenoir, Pender, Duplin, Bladen, and Columbus Counties.

(b) The maximum rates for State participation in HIV foster care and adoptions assistance are established on a graduated scale as follows:

(1) $800.00 per month per child with indeterminate HIV status;

(2) $1,000 per month per child confirmed HIV-infected, asymptomatic;

(3) $1,200 per month per child confirmed HIV-infected, symptomatic; and

(4) $1,600 per month per child terminally ill with complex care needs."

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

CHILD WELFARE SYSTEM IMPROVEMENTS

Section 12.22. Section 11.57 of S.L. 1997-443 reads as rewritten:

"Section 11.57. (a) Of the funds appropriated in this act to the Department of ~~Human Resources,~~ Health and Human Services, Division of Social Services, the sum of two million two hundred sixty-nine thousand seven hundred fifty-two dollars ($2,269,752) for the 1997-98 fiscal year and the sum of two million two hundred sixty-nine thousand seven

hundred fifty-two dollars ($2,269,752) for the 1998-99 fiscal year shall be allocated to county departments of social services for hiring or contracting for additional foster care and adoption worker and supervisor positions created after July 1, 1997, based upon a formula which takes into consideration the number of ~~foster care and adoption~~ cases and the number of ~~foster care and adoption~~ workers and supervisors necessary to meet recommended standards adopted by the North Carolina Association of County Directors of Social Services. County departments of social services shall make diligent efforts to hire staff with a professional social work degree from an accredited social work program.

(b) Of the funds appropriated in this act to the Department of ~~Human Resources,~~ Health and Human Services, Division of Social Services, the sum of one hundred fifty-nine thousand dollars ($159,000) for the 1997-98 fiscal year and the sum of one hundred sixty-three thousand dollars ($163,000) for the 1998-99 fiscal year shall be used to provide funds for the State Child Fatality Review Team established and maintained pursuant to Part 4B of Article 3 of Chapter 143B of the General Statutes. ~~establish and maintain a State Child Fatality Review Team to conduct in-depth reviews of any child fatalities which have occurred involving children and families involved with local departments of social services child protective services in the 12 months preceding the fatality.~~

~~The purpose of these reviews shall be to implement a team approach to identifying factors which may have contributed to conditions leading to the fatality and to develop recommendations for improving coordination between local and State entities which might have avoided the threat of injury or fatality and to identify appropriate remedies. The Division of Social Services shall make public the findings and recommendations developed for each fatality reviewed relating to improving coordination between local and State entities.~~

~~The State Child Fatality Review Team shall include representatives of the local departments of social services and the Division of Social Services, a member of the local Community Child Protection Team, a member of the local child fatality prevention team, a representative from local law enforcement, a prevention specialist, and a medical professional.~~

~~The State Child Fatality Review Team shall have access to all medical records, hospital records, and records maintained by this State, any county, or any local agency as necessary to carry out the purposes of this subsection, including police investigative data, medical examiner investigative data, health records, mental health records, and social services records. Any member of the State Child Fatality Review Team may share, only in an official meeting of the State Child Fatality Review Team, any information available to that member that the State Child Fatality Review Team needs to carry out its duties.~~

~~Meetings of the State Child Fatality Review Team are not subject to the provisions of Article 33C of Chapter 143 of the General Statutes. However, the State Child Fatality Review Team may hold periodic public meetings to discuss, in a general manner not revealing confidential information about children and families, the findings of their reviews and their recommendations for preventive actions. Minutes of all public meetings, excluding those of executive sessions, shall be kept in compliance with Article 33C of Chapter 143 of the General Statutes. Any minutes or any other information generated during any executive session shall be sealed from public inspection.~~

~~All otherwise confidential information and records acquired by the State Child Fatality Review Team, in the exercise of its duties are confidential; are not subject to discovery or introduction into evidence in any proceedings except pursuant to an order of the court; and may only be disclosed as necessary to carry out the purposes of the State Child Fatality Review Team. In addition, all otherwise confidential information and records~~

~~created by the State Child Fatality Review Team in the exercise of its duties are confidential; are not subject to discovery or introduction into evidence in any proceedings; and may only be disclosed as necessary to carry out the purposes of the State Child Fatality Review Team. No member of the State Child Fatality Review Team, nor any person who attends a meeting of the State Child Fatality Review Team, may testify in any proceeding about what transpired at the meeting, about information presented at the meeting, or about opinions formed by the person as a result of the meetings. This subsection shall not, however, prohibit a person from testifying in a civil or criminal action about matters within that person's independent knowledge.~~

~~Each member of the State Child Fatality Review Team and invited participant shall sign a statement indicating an understanding of and adherence to confidentiality requirements, including the possible civil or criminal consequences of any breach of confidentiality.~~

Funds allocated under this subsection shall be used as follows:

(1) To contract as needed with a statewide prevention organization and a statewide medical organization to identify and orient prevention specialists and medical professionals with experience in reviewing child fatalities to serve on the State Child Fatality Review Team; and

(2) To pay per diem expenses as needed for the five participants in each review who are not employed by the Division of Social Services or county departments of social services.

The Division of Social Services, Department of ~~Human Resources,~~ Health and Human Services, shall report quarterly to the ~~Cochairs~~ members of the ~~House and Senate Appropriations Subcommittees on Human Resources~~ Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources and the Fiscal Research Division on the activities of the State Child Fatality Review Team and shall provide a final report to the ~~House and Senate Appropriations Subcommittees on Human Resources~~ Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources within one week of the convening of the 1997 General Assembly, Regular Session 1998, including recommendations for changes in the statewide child protection system.

(c) Counties shall not use State funds appropriated for child welfare services to supplant county funds or reduce county expenditures for child welfare services.

(d) Notwithstanding G.S. 131D-10.6A, the Division of Social Services shall establish training requirements for child welfare services staff initially hired on and after January 1, 1998. The minimum training requirements established by the Division shall be as follows:

(1) Child welfare services workers must complete a minimum of 72 hours of preservice training before assuming direct client contact responsibilities;

(2) Child protective services workers must complete a minimum of 18 hours of additional training that the Division determines is necessary to adequately meet training needs;

(3) Foster care and adoption social workers must complete a minimum of 39 hours of additional training that the Division determines is necessary to adequately meet training needs;

(4) Child Welfare Services supervisors must complete a minimum of 72 hours of preservice training before assuming supervisory responsibilities, and a minimum of 54 hours of additional training that

the Division determines is necessary to adequately meet training needs; and

(5) Child welfare services staff must complete 24 hours of continuing education annually thereafter.

The Division of Social Services shall ensure that training opportunities are available for county departments of social services and consolidated human services agencies to meet the training requirements of this subsection.

~~This subsection shall expire June 30, 1999.~~ This subsection shall continue in effect until explicitly repealed.

(e) Article 3 of Chapter 143B of the General Statutes is amended by inserting a new Part to read:

"Part 4B. State Child Fatality Review Team.

"§ 143B-150.20. State Child Fatality Review Team; establishment; purpose; powers; duties.

There is established in the Department of Health and Human Services, Division of Social Services, a State Child Fatality Review Team to conduct in-depth reviews of any child fatalities which have occurred involving children and families involved with local departments of social services child protective services in the 12 months preceding the fatality. Steps in this in-depth review shall include interviews with any individuals determined to have pertinent information as well as examination of any written materials containing pertinent information.

The purpose of these reviews shall be to implement a team approach to identifying factors which may have contributed to conditions leading to the fatality and to develop recommendations for improving coordination between local and State entities which might have avoided the threat of injury or fatality and to identify appropriate remedies. The Division of Social Services shall make public the findings and recommendations developed for each fatality reviewed relating to improving coordination between local and State entities. The State Child Fatality Review Team shall consult with the appropriate district attorney in accordance with G.S. 7A-675.1(d) prior to the public release of the findings and recommendations.

The State Child Fatality Review Team shall include representatives of the local departments of social services and the Division of Social Services, a member of the local Community Child Protection Team, a member of the local child fatality prevention team, a representative from local law enforcement, a prevention specialist, and a medical professional.

The State Child Fatality Review Team shall have access to all medical records, hospital records, and records maintained by this State, any county, or any local agency as necessary to carry out the purposes of this subsection, including police investigative data, medical examiner investigative data, health records, mental health records, and social services records. The State Child Fatality Review Team may receive a copy of any reviewed materials necessary to the conduct of the fatality review. Any member of the State Child Fatality Review Team may share, only in an official meeting of the State Child Fatality Review Team, any information available to that member that the State Child Fatality Review Team needs to carry out its duties.

Meetings of the State Child Fatality Review Team are not subject to the provisions of Article 33C of Chapter 143 of the General Statutes. However, the State Child Fatality Review Team may hold periodic public meetings to discuss, in a general manner not revealing confidential information about children and families, the findings of their reviews and their recommendations for preventive actions. Minutes of all public meetings, excluding those of closed sessions, shall be kept in compliance with Article 33C

of Chapter 143 of the General Statutes. Any minutes or any other information generated during any executive session shall be sealed from public inspection.

All otherwise confidential information and records acquired by the State Child Fatality Review Team, in the exercise of its duties are confidential; are not subject to discovery or introduction into evidence in any proceedings except pursuant to an order of the court; and may only be disclosed as necessary to carry out the purposes of the State Child Fatality Review Team. In addition, all otherwise confidential information and records created by the State Child Fatality Review Team in the exercise of its duties are confidential; are not subject to discovery or introduction into evidence in any proceedings; and may only be disclosed as necessary to carry out the purposes of the State Child Fatality Review Team. No member of the State Child Fatality Review Team, nor any person who attends a meeting of the State Child Fatality Review Team, may testify in any proceeding about what transpired at the meeting, about information presented at the meeting, or about opinions formed by the person as a result of the meetings. This subsection shall not, however, prohibit a person from testifying in a civil or criminal action about matters within that person's independent knowledge.

Each member of the State Child Fatality Review Team and invited participant shall sign a statement indicating an understanding of and adherence to confidentiality requirements, including the possible civil or criminal consequences of any breach of confidentiality.'"

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

CHILD PROTECTIVE SERVICES

Section 12.23. Section 11.25 of S.L. 1997-443 reads as rewritten:

"Section 11.25. (a) The funds appropriated in this act to the Department of ~~Human Resources,~~ Health and Human Services, Division of Social Services, for the 1997-99 fiscal biennium for Child Protective Services shall be allocated to county departments of social services based upon a formula which takes into consideration the number of Child Protective Services cases and the number of Child Protective Services workers and supervisors necessary to meet recommended standards adopted by the North Carolina Association of County Directors of Social Services.

(b) Funds allocated under subsection (a) of this section shall be used by county departments of social services for carrying out ~~investigations of reports~~ investigative assessments of child abuse or neglect or for providing protective or preventive services in which the department confirms abuse, neglect, or dependency."

Requested by: Senators Plyler, Perdue, Odom, Martin of Guilford, Representatives Holmes, Esposito, Creech, Crawford

FOOD BANKS FUNDS

Section 12.24. (a) Of the funds appropriated to the Department of Health and Human Services, Division of Social Services, for food banks in this act, the sum of one million dollars ($1,000,000) for the 1998-99 fiscal year shall be allocated as grants-in-aid as follows:

(1)	Albemarle Food Bank/Food Pantry, Inc.	$160,000
(2)	MANNA Food Bank, Inc.	$160,000
(3)	The Food Bank of Northwest, NC., Inc.	$160,000
(4)	Cumberland County Action/Cape Fear Community Food Bank	$160,000
(5)	Second Harvest Food Bank of Metrolina, Inc.	$160,000
(6)	Food Bank, Inc.	$160,000.

(b) Of the remaining funds appropriated to the Department of Health and Human Services, Division of Social Services, for food banks in this act, the sum of forty thousand dollars ($40,000) shall be used in the 1998-99 fiscal year to provide start-up costs for a food bank in Eastern North Carolina.

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

REPORT ON PROGRESS TOWARDS AUTOMATED APPLICATION SYSTEM

Section 12.25. The Department of Health and Human Services shall make a final report within a week of the convening of the 1999 General Assembly to the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources on its progress in developing and implementing a single statewide automated application system for all means-tested public assistance benefit programs.

Requested by: Senator Martin of Guilford, Representatives Howard, Berry

BIOMETRICS LAW CHANGES

Section 12.26A. (a) G.S. 108A-25.1 reads as rewritten:

"§ 108A-25.1. Recipient identification system.

(a) The Department shall establish and maintain a uniform system in the Department and in all counties of identifying all Work First, food stamp, and medical assistance program ~~recipients.~~ recipients, applicants, and payees, except those who are institutionalized adults, children under the age of 18 unless they are minor parents who are applying for or receiving assistance, or other individuals that federal law or regulation mandate be excluded. For purposes of this section, the term `payee' means a responsible adult who receives assistance, whether cash assistance or services, on behalf of a recipient. This system shall provide security and portability throughout the State and between the departments within the State involved in means-tested public assistance programs and shall have the capability of identifying recipients of assistance from all means-tested programs administered or funded through the Department.

(b) The identification system established in this section shall use ~~multiple~~ fingerprint biometrics to ensure greater than ninety-nine percent (99%) accuracy for interdepartmental identification.

(c) The Department shall ensure that the biometric identification system will be compatible with any existing departmental biometric identification system.

(d) The Department shall make biometric identification a condition of eligibility for Work First, food stamp, and medical assistance programs for all recipients, applicants, and payees described in subsection (a) of this section. If any recipient, applicant, or payee is denied Work First or food stamp assistance on the basis of the identification system established in this section, the recipient's, applicant's, or payee's whole case, or group of individuals whose eligibility for Work First or food stamp assistance is dependent on all the other group members' financial and nonfinancial situation, shall be denied Work First or food stamp assistance."

(b) Section 12.35 of S.L. 1997-443 reads as rewritten:

"Section 12.35. The Department of Health and Human Services shall have the uniform system of recipient identification established in G.S. 108A-25.1 in place and operating ~~before October 1, 1998.~~ no later than October 1, 2000. The Department shall implement the start of the phase-in process no later than October 1, 1999, and shall report on a quarterly basis to the Joint Legislative Public Assistance Commission on its progress towards statewide implementation. Except as otherwise provided in this Part, this Part is effective when it becomes law."

(c) If the United States Department of Health and Human Services or the United States Department of Agriculture or both reject by written documentation any of the specifics of the biometric identification system prescribed in G.S. 108A-25.1, the North Carolina Department of Health and Human Services shall implement any remaining unrejected specifics.

(d) The Department of Health and Human Services shall report to the Joint Legislative Public Assistance Commission (i) whenever it determines that federal law or regulation mandates that other individuals than the ones specified in G.S. 108A-25.1(a) must be excluded from the biometric identification system prescribed in G.S. 108A-25.1 and (ii) whenever it is notified by written documentation that the United States Department of Health and Human Services or the United States Department of Agriculture or both have rejected any of the specifics of the biometric identification system prescribed in G.S. 108A-25.1.

(e) Funds appropriated by S.L. 1997-443 to the Department of Health and Human Services and the Office of State Budget and Management for the Biometrics Recipient Identification System for the 1997-98 fiscal year shall not revert but shall remain available to the Department for this purpose.

(f) Subsection (e) of this section becomes effective June 30, 1998.

Requested by: Senator Martin of Guilford, Representatives Esposito, Howard, Berry

WELFARE LAW CHANGES

Section 12.27A. (a) The General Assembly approves the plan titled "North Carolina's Temporary Assistance for Needy Families State Plan FY 1998-2000", prepared by the Department of Health and Human Services and presented to the General Assembly on May 15, 1998, and amended by the Temporary Assistance for Needy Families Welfare-to-Work Formula Grant Plan, prepared by the Department of Commerce and presented to the General Assembly on July 2, 1998, as amended by changes to the welfare law required by this section and any other act of the General Assembly.

(a1) G.S. 108A-27(a) reads as rewritten:

"(a) The Department shall establish, supervise and monitor the Work First Program. The purpose of the Work First Program is to provide eligible families with short-term assistance to facilitate their movement to self-sufficiency through ~~employment.~~ gainful employment, not the mere reduction of the welfare rolls. The Department shall ensure that the Work First Program focus on this purpose of self-sufficiency. The ultimate goal of the Work First Program is the gradual elimination of generational poverty, and the Department shall ensure that all evaluations of the Work First Program, whether performed at the State or the county level, maintain this purpose and this goal of the Work First Program and effect an ongoing determination of whether the Work First Program is successful in facilitating families to move to self-sufficiency and in gradually eliminating generational poverty."

(a2) Support services under North Carolina's Temporary Assistance for Needy Families (TANF) State Plan shall be available to TANF recipients and former TANF recipients whose family income does not exceed one hundred fifty percent (150%) of the federal poverty level. Work-related services under TANF may be provided to a noncustodial parent of a minor child whose custodial parent is a TANF recipient, or to a noncustodial parent of a minor child in a child-only case, except that no work-related services shall be provided to the noncustodial parent if the services would limit or reduce Work First assistance to the custodial parent or caretaker and children. In order to be eligible for work-related services under this subsection, the noncustodial parent's family

income must be not more than one hundred fifty percent (150%) of the federal poverty level.

(a3) Not later than January 1, 1999, the Department of Health and Human Services shall report to members of the House of Representatives Appropriations Subcommittee on Human Resources and the Senate Appropriations Committee on Human Resources, and to the Joint Legislative Public Assistance Commission, for their review, all amendments made to the State Plan to conform with changes in the welfare law required by this section and any other act of the General Assembly, and any other corrections made to ensure that the State Plan conforms with State law.

(b) G.S. 108A-27.9(a) reads as rewritten:

"(a) The Department shall prepare and submit to the Director of the ~~Budget, in accordance with the procedures established in G.S. 143-16.1 for federal block grant funds,~~ Budget a biennial State Plan that proposes the goals and requirements for the State and the terms of the Work First Program for each fiscal year. Prior to submitting a State Plan to the General Assembly, the Department shall submit the State Plan to the Joint Legislative Public Assistance Commission for its review and then consult with local governments and private sector organizations regarding the design of the State Plan and allow 45 days to receive comments from them."

(b1) G.S. 108A-27.9(c) reads as rewritten:

"(c) The State Plan shall include the following generally applicable provisions:

(1) Provisions to ensure that recipients who are sanctioned are provided a clear explanation of the sanction and that all recipients, including those under sanction or termination for rules infractions, are fully informed of their right to legal counsel and any other representatives they choose at their own cost;

~~(1)~~ (1a) Provisions to ensure that no Work First Program recipients, required to participate in work activities, shall be employed or assigned when:

a. Any regular employee is on layoff from the same or substantially equivalent job;

b. An employer terminates any regular employee or otherwise causes an involuntary reduction in the employer's workforce in order to hire Work First recipients; or

c. An employer otherwise causes the displacement of any currently employed worker or positions, including partial displacements such as reductions in hours of nonovertime work, wages, or employment benefits, in order to hire Work First recipients;

(2) Provisions to ensure the establishment and maintenance of grievance procedures to resolve complaints by regular employees who allege that the employment or assignment of a Work First Program recipient is in violation of subdivision ~~(1)~~ (1a) of this ~~subsection;~~ subsection, and grievance procedures to resolve complaints by Work First Participants made pursuant to subdivision (3) of this subsection;

(3) Provisions to ensure that Work First Program participants, required to participate in work activities, shall be subject to and have the same rights under federal, State, or local laws applicable to non-Work First Program employees in similarly situated work activities, including, but not limited to, wage and hour laws, health and safety standards, and nondiscrimination laws, provided that nothing in this subdivision shall be construed to prohibit Work First Program participants from

receiving additional State or county services designed to assist Work First Program participants achieve job stability and self-sufficiency;

(4) A description of eligible federal and State work activities;

(5) Requirements for assignment of child support income and compliance with child support activities;

(6) Incentives for high-performing counties, contingency plans for counties unable to meet financial commitments during the term of the State Plan, and sanctions against counties failing to meet performance expectations, including allocation of any federal penalties that may be assessed against the State as a result of a county's failure to perform; and

(7) Anything else required by federal or State law, rule, or regulation to be included in the State Plan."

(c) Section 12.20(b) of S.L. 1997-443 reads as rewritten:

"(b) The requirement that the Department prepare and submit the State Plan to the General Assembly for approval ~~in accordance with the procedures set forth in G.S. 143-16.1~~ as prescribed in G.S. 108A-27.9(a) shall not be applicable for fiscal year 1997-98. Until the counties have prepared their county plans and the State has prepared the State Plan in accordance with this Part and that State Plan has been enacted by the General Assembly and it becomes law, and it has been certified by the United States Department of Health and Human Services, the provisions of the State Plan submitted to the federal government on October 16, 1996, shall remain in effect. The enacted State Plan that has become law shall be implemented upon certification by the United States Department of Health and Human Services, except that specific areas of the State Plan that require automation changes shall be implemented as soon as possible after certification. State Plans submitted after the 1997-98 fiscal year shall be enacted by the General Assembly and become law in order to be effective."

(d) Section 12.36(a) of S.L. 1997-443 reads as rewritten:

"(a) Of the funds appropriated in this act to the Office of State Budget and Management, the sum of five million seventy-five thousand two hundred two dollars ($5,075,202) for the 1997-98 fiscal year and the sum of ~~three million nine hundred thousand dollars ($3,900,000)~~ three million eight hundred seventeen thousand dollars ($3,817,000) for the 1998-99 fiscal year shall be placed in a Restrictive Reserve to Implement Welfare Reform. These funds shall be allocated from the Reserve as follows:

(1) $275,000 for the 1997-98 fiscal year and $400,000 for the 1998-99 fiscal year to support the establishment of a uniform system of public assistance programs as authorized under G.S. 108A-25.1, and to provide counties with workstations for biometric ~~imaging;~~ imaging;

(2) $2,500,000 in each fiscal year to fund program integrity activities in each ~~county;~~ county. These funds shall be given to the counties in a lump sum, and unexpended funds shall revert to the General Fund;

(3) $500,000 for the 1997-98 fiscal year to establish and support an Office of Inspector General in the Department of Justice;

(4) $300,000 in each fiscal year to establish a pilot project in the Department of Labor for creation of Individual Development Accounts;

(5) $1,500,202 for the 1997-98 fiscal year for the following purposes:

a. To establish First Stop Employment Assistance in the Department of Commerce;

b. To expand the Labor Market Information System in the Employment Security Commission; and

c. To assist the Job Service Employer Committees or the Workforce Development Boards in their completion of the study of the working poor.

Funds shall not be allocated under this subdivision unless and until the Office of State Budget and Management has certified that federal funds are not available to the Department of Commerce for these purposes; and

(6) ~~$700,000~~ $617,000 for the 1998-99 fiscal year for the continued support of the Office of Inspector General in the Department of ~~Justice, and for the First Stop Employment Assistance in the Department of Commerce.~~ Justice. These funds shall be allocated by the Office of State Budget and Management on the basis of need."

(e) G.S. 114-41(a)(2) reads as rewritten:

"(2) Establish policies and standards for the investigation, detection, and elimination of fraud, abuse, waste, and mismanagement in the means-tested public assistance ~~programs;~~ programs. The Inspector General shall provide each of the county directors of social services with a copy of the policies and standards for investigation established pursuant to this provision, including any amendments. When the Inspector General determines that a county social services agency has not complied with the policies and standards, the Inspector General shall notify the director of that agency of the agency's noncompliance and recommend appropriate action;".

(f) G.S. 108A-27.1(b) reads as rewritten:

"(b) Electing Counties may set any time limitations on assistance it finds appropriate, so long as the time limitations do not conflict with or exceed any federal time limitations."

(g) G.S. 108A-27.2 reads as rewritten:

"§ 108A-27.2. General duties of the Department.

The Department shall have the following general duties with respect to the Work First Program:

(1) Ensure that the specifications of the general provisions of the State Plan regarding the procedures required when recipients are sanctioned, prescribed in G.S. 108A-27.9(c), are uniformly developed and implemented across the State;

~~(1)~~ (1a) Provide technical assistance to counties developing and implementing their County Plans, including providing information concerning applicable federal law and regulations and changes to federal law and regulations that affect the permissible use of federal funds and scope of the Work First Program in a county;

(2) Describe authorized federal and State work activities;

(3) Define requirements for assignment of child support income and compliance with child support activities;

(4) Establish a schedule for counties to submit their County Plans to ensure that all Standard County Plans are adopted by the Standard Program Counties by January 15 of each even-numbered year and all Electing County Plans are adopted by Electing Counties by February 1 of each even-numbered year and review and then recommend a State Plan to the General Assembly;

(5) Ensure that the County Plans comply with federal and State laws, rules, and regulations, are consistent with the overall purposes and goals of

the Work First Program, and maximize federal receipts for the Work First Program;

(6) Prepare the State Plan in accordance with G.S. 108A-27.9 and federal laws and regulations and submit it to the Budget Director for approval;

(7) Submit the State Plan, as approved by the Budget Director, to the General Assembly for approval;

(8) Report monthly to the Joint Legislative Public Assistance Commission on the monthly progress reports submitted by the counties to the Department;

(9) Develop and implement a system to monitor and evaluate the impact of the Work First Program on children and families, including the impact of the Work First Program on the economic security and health of children and families, child abuse and neglect, caseloads for child protective services and foster care, school attendance, and academic and behavioral performance. State and county agencies shall cooperate in providing information needed to conduct these evaluations, sharing data and information except where prohibited specifically by federal law or regulation;

(10) Monitor the performance of counties relative to their County Plans and the overall goals of the Work First Program and report every six months to the Director of the Budget and the Joint Legislative Public Assistance Commission and annually to the General Assembly on the counties' attainment of the outcomes and goals;

(11) Provide quarterly progress reports to the county departments of social services, the county boards of commissioners, and the Joint Legislative Public Assistance Commission on the performance of counties in achieving Work First Program expectations;

(12) Report to the Joint Legislative Public Assistance Commission and the ~~House and Senate Appropriations Subcommittees on Human Resources~~ members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources the counties which have requested Electing status, provide copies of the proposed Electing County Plans to the Joint Legislative Public Assistance Commission and ~~the House and Senate Appropriations Subcommittees on Human Resources,~~ the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources and make recommendations to the Joint Legislative Public Assistance Commission, the ~~chairs~~ members of the ~~House and Senate Subcommittees on Human Resources,~~ Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources, and the General Assembly on which of the proposed Electing County Plans ensure compliance with federal and State laws, rules, and regulations and are consistent with the overall purposes and goals for the Work First Program; and

(13) Make recommendations to the General Assembly for approval of counties to become Electing Counties which represent, in aggregate, no more than fifteen and one-half percent (15.5%) of the total Work First caseload at ~~October~~ September 1 of each year and, for each county

submitting a plan, the reasons individual counties were or were not recommended."

(g1) The counties approved as Electing Counties in North Carolina's Temporary Assistance for Needy Families State Plan FY 1998-2000 as approved by this section are: Alamance, Caldwell, Caswell, Chatham, Cherokee, Davie, Forsyth, Henderson, Iredell, Lincoln, Macon, McDowell, New Hanover, Polk, Randolph, Rutherford, Sampson, Stokes, Surry, Transylvania, and Wilkes.

(h) G.S. 108A-27.3(a) reads as rewritten:

"(a) The duties of the county boards of commissioners in Electing Counties under the Work First Program are as follows:

(1) Establish county outcome and performance goals based on county economic, educational, and employment factors and adopt criteria for determining the progress of the county in moving persons and families to self-sufficiency;

(2) Establish eligibility criteria for ~~recipients;~~ recipients except for those criteria related to sanctioning procedures mandated across the State pursuant to G.S. 108A-27.9(c);

(3) Prescribe the method of calculating benefits for recipients;

(4) Determine and list persons and families eligible for the Work First Program;

(5) If made a part of the county's Work First Program, develop and enter into Mutual Responsibility Agreements with Work First Program recipients and ensure that the services and resources that are needed to assist participants to comply with the obligations under their Mutual Responsibility Agreements are available;

(6) Ensure that participants engage in the minimum hours of work activities required by Title IV-A;

(7) ~~Provide~~ Consider providing community service work for any recipient who cannot find employment;

(8) Make payments of Work First Diversion Assistance and Work First Family Assistance to recipients having MRAs;

(9) Monitor compliance with Mutual Responsibility Agreements and enforce the agreement provisions;

(10) Monitor and evaluate the impact of the Work First Program on economic security and health of children and families, child abuse and neglect, caseloads for child protective services and foster care, school attendance, and academic and behavioral performance, and report the findings to the Department quarterly;

(11) Ensure compliance with applicable State and federal laws, rules, and regulations for the Work First Program;

(12) Develop, adopt, and submit to the Department a biennial County Plan;

(13) Provide monthly progress reports to the Department in a format to be determined by the Department;

(14) Develop and implement an appeals process for the county's Work First Program that substantially complies with ~~G.S. 108A-79.~~ G.S. 108A-79 and comply with the procedures related to sanctioning by the Department for all counties in the State pursuant to G.S. 108A-27.2 and prescribed as general provisions in the State Plan pursuant to G.S. 108A-27.9(c)(1)."

(i) G.S. 108A-27.11 reads as rewritten:

"§ 108A-27.11. Work First Program funding.

(a) County block grants, except funds for Work First Family Assistance, shall be computed based on the percentage of each county's total AFDC (including AFDC-EA) and JOBS expenditures, except expenditures for cash assistance, to statewide actual expenditures for those programs in fiscal year 1995-96. The resulting percentage shall be applied to the State's total ~~budgeted funds,~~ certified budget enacted by the General Assembly for each fiscal year, except funds budgeted for Work First Family Assistance, for Work First Program expenditures at the county level.

(b) The following shall apply to funding for Standard Program Counties:

(1) The Department shall make payments of Work First Family Assistance and Work First Diversion Assistance subject to the availability of federal, State, and county funds.

(2) The Department shall reimburse counties for county expenditures under the Work First Program subject to the availability of federal, State, and county funds.

(c) Each Electing County's allocation for Work First Family Assistance shall be computed based on the percentage of each Electing County's total expenditures for cash assistance to statewide actual expenditures for cash assistance in 1995-96. The resulting percentage shall be applied to the ~~total budgeted funds for Work First Family Assistance.~~ federal TANF block grant funds appropriated for cash assistance by the General Assembly each fiscal year. The Department shall transmit the federal funds contained in the county block grants to Electing Counties as soon as practicable after they become available to the State and in accordance with federal cash management laws and regulations. The Department shall transmit one-fourth of the State funds contained in county block grants to Electing Counties at the beginning of each quarter. Once paid, the county block grant funds shall not revert."

(j) G.S. 108A-27.12 reads as rewritten:

"§ 108A-27.12. Maintenance of effort.

(a) The Department shall define in the State Plan or by rule the term `maintenance of effort' based on that term as defined in Title IV-A and shall provide to counties a list of activities that qualify for federal maintenance of effort requirements.

(b) If a county fails to comply with the maintenance of effort requirement in subsection (a) of this section, the Director of the Budget may withhold State moneys appropriated to the county pursuant to G.S. 108A-93.

(c) The Department shall maintain the State's maintenance of effort at one hundred percent (100%) of the ~~amount the State budgeted~~ State certified budget enacted by the General Assembly for programs under this Part during fiscal year 1996-97. At no time shall the Department reduce or reallocate State or county funds previously obligated or appropriated for Work First County Block Grants or child welfare services.

(d) For Standard Program Counties, using the ~~preceding~~ 1996-97 fiscal year as the base year, counties shall maintain a financial commitment to the Work First Program equal to the proportion of State funds allocated to the Work First Program. At no time shall a Standard Program County reduce State or county funds previously obligated or appropriated for child welfare services.

(e) During the first year a county operates as an Electing County, the county's maintenance of effort shall be no less than ninety percent (90%) of the amount the county budgeted for programs under this Part during fiscal year 1996-97. If during the first year of operation as Electing the Electing County achieves one hundred percent (100%) of its goals as set forth in its Electing County Plan, then the Electing County may reduce its maintenance of effort to eighty percent (80%) of the amount the county budgeted for

programs under this Part during fiscal year 1996-97 for the second year of the Electing County's operation and for all years thereafter that the county maintains Electing Status."

(k) G.S. 108A-27.16 reads as rewritten:

"§ 108A-27.16. Use of Work First Reserve Fund.

(a) By the fifteenth of each month, the Secretary shall certify to the Director of the Budget and the Fiscal Research Division of the General Assembly the actual expenditures for Work First Family Assistance for the fiscal year up until the beginning of that month and the projected expenditures for the remainder of the fiscal year. ~~If on March 1 the actual expenditures for the fiscal year exceed two-thirds of the total amount of expenditures expected for the entire fiscal year,~~ If the Director of the Budget declares that the State, an individual county, or an individual region is in a state of economic emergency with regard to lack of funds available for Work First Family Assistance through events beyond their control, then the Director of the Budget shall direct the Secretary ~~shall~~ to attempt to access any available federal funds. If federal funds are unavailable and the General Assembly is not in session, the Director of the Budget may, in the order below:

(1) Use funds available from the Work First Reserve Fund established pursuant to ~~G.S. 143-15.3C;~~ G.S. 143-15.3C to provide Work First Family Assistance funds for the State, the individual counties, or the individual region;

(2) Use funds available to the ~~Department;~~ Department to provide Work First Family Assistance funds for the State, the individual counties, or the individual region; or

(3) Notwithstanding G.S. 143-23, use funds available from other departments, institutions, or other spending agencies of the ~~State.~~ State to provide Work First Family Assistance funds for the State, the individual counties, or the individual region.

(b) The Director of the Budget shall report to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Public Assistance Commission, and the ~~House of Representatives and Senate Appropriations Subcommittees on Human Resources~~ Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources prior to making any transfer pursuant to this section.

(c) Except as provided in this section, funds from the Work First Reserve Fund established pursuant to G.S. 143-15.3C shall not be expended until appropriated by the General Assembly."

(l) G.S. 108A-29(o) is recodified as G.S. 108A-29(d); G.S. 108A-29(p) is recodified as G.S. 108A-29(e); G.S. 108A-29(e) is recodified as G.S. 108A-29(g); G.S. 108A-29(i) is recodified as G.S. 108A-29(h); G.S. 108A-29(k) is recodified as G.S. 108A-29(i); G.S. 108A-29(l) is recodified as G.S. 108A-29(j); G.S. 108A-29(m) is recodified as G.S. 108A-29(k); G.S. 108A-29(j) is recodified as G.S. 108A-29(l); G.S. 108A-29(n) is recodified as G.S. 108A-29(m); G.S. 108A-29(g) is recodified as G.S. 108A-29(n); G.S. 108A-29(h) is recodified as G.S. 108A-29(o); G.S. 108A-29(d) is recodified as G.S. 108A-29(p); G.S. 108A-29(r) is recodified as G.S. 108A-29(s).

(m) G.S. 108A-29 reads as rewritten:

"§ 108A-29. First Stop Employment Assistance; priority for employment services.

(a) There is established in the ~~Department of Commerce~~ Employment Security Commission a program to be called First Stop Employment Assistance. The ~~Secretary of the Department of Commerce~~ Chair of the Employment Security Commission shall administer the program with the participation and cooperation of the ~~Employment~~

~~Security Commission,~~ Department of Commerce, county boards of commissioners, the Department of Health and Human Services, the Department of Labor, the Department of Crime Control and Public Safety, and the community college system. The responsibilities of each agency shall be specified in a Memorandum of Understanding between the ~~Departments of Commerce and~~ Employment Security Commission and the Department of Health and Human Services, in consultation with the ~~Employment Security Commission,~~ Department of Commerce, the Department of Labor, and the community college system. The Employment Security Commission shall be the presumptive primary deliverer of job placement services for the Work First Program.

(b) Individuals seeking to apply or reapply for Work First Program assistance and who are not exempt from work requirements shall register with the First Stop Employment Assistance Program. The point of registration shall be at an office of the Employment Security Commission in the county in which the individual resides or at another location designated in a Memorandum of Understanding between the Employment Security Commission and the local department of social services.

(c) Individuals who are not otherwise exempt shall present verification of registration at the time of applying for Work First Program assistance. Unless exempt, the individual shall not be approved for Work First Program assistance until verification is received. Child-only cases are exempt from this requirement.

(d) Once an individual has registered as required in subsection (c) of this section and upon verification of the registration by the agency or contractor providing the Work First Program assistance, the individual's eligibility for Work First Program assistance may be evaluated and the application completed. Continued receipt of Work First Program benefits is contingent upon successful participation in the First Stop Employment Program, and lack of cooperation and participation in the First Stop Employment Program may result in the termination of benefits to the individual.

(e) The county board of commissioners shall determine which agencies or nonprofit or private contractors will participate with the Employment Security Commission and the local department of social services in developing the rules to implement the First Stop Employment Program.

(f) At the county's option, the Employment Security Commission, in consultation with and with the assistance of the agencies specified in the Memorandum of Understanding described in subsection (b) of this section, shall provide to Work First Program registrants the continuum of services available through its Employment ~~Services division.~~ Security Commission. Each County Plan may provide that the county department of social services enter into a cooperative agreement with the Employment Security Commission ~~for job registration, job search, and job placement~~ to operate the Job Search component on behalf of Work First Program registrants. The cooperative agreement shall include a provision for payment to the Employment Security Commission by the county department of social services for the cost of providing ~~the services~~ those services, not otherwise available to all clients of the Employment Security Commission, described in this subsection as the same are reflected as a component of the County Plan payable from fund allocations in the county block grant. The county department of social services may also enter into a cooperative agreement with the community college system or any other entity to operate the Job Preparedness component. This cooperative agreement shall include a provision for payment to that entity by the county department of social services for the cost of providing those services, not otherwise available to all clients of the Employment Security Commission, described in this subsection as the same are reflected as a component of the County Plan payable from fund allocations in the county block grant.

(g) The Employment Security Commission shall be the primary job placement entity of the Work First Program. The Employment Security Commission shall further assist registrants through job search, job placement, or referral to community ~~service.~~ service, if contracted to do so.

(h) An individual placed in the Job Search component of the First Stop Employment Program shall look for work and shall accept any suitable employment. ~~The~~ If contracted, the Employment Security Commission shall refer individuals to current job openings and shall make job development contacts for individuals. Individuals so referred shall be required to keep a record of their job search activities on a job search record form provided by the Commission, and the Employment Security Commission will monitor these activities. A 'job search record' means a written list of dates, times, places, addresses, telephone numbers, names, and circumstances of job interviews. The Job Search component shall include at least one weekly contact with the Employment Security Commission. The Employment Security Commission shall adopt rules to accomplish this subsection.

(i) The Employment Security Commission shall notify all employers in the State of the 'Exclusive No-Fault' Referral Service available through the Employment Security Commission to employers who hire personnel through Job Service referrals.

(j) All individuals referred to jobs through the Employment Security Commission shall be instructed in the procedures for applying for the Federal Earned Income Credit (FEIC). All individuals referred to jobs through the Employment Security Commission who qualify for the FEIC shall apply for the FEIC by filing a W-5 form with their employers.

(k) The FEIC shall not be counted as income when eligibility is determined for Work First Program assistance, Medicaid, food stamps, subsidies, public housing, or Supplemental Security Income.

(l) The Employment Security Commission shall work with the Department of Labor to develop a relationship with these private employment agencies to utilize their services and make referrals of individuals registered with the Employment Security Commission.

(m) An individual who has not found a job within 12 weeks of being placed in the Job Search component of the Program may also be placed in the Community Service component at the county's option.

(n) If after evaluation of an individual the Employment Security Commission believes it necessary, the Employment Security Commission or the county department of social services also may refer an individual ~~placed in~~ to the Job Preparedness component of the First Stop Employment ~~Program to a local community college for enrollment in~~ Program. The local community college should include General Education Development, Adult Basic Education, or Human Resources Development programs ~~which~~ that are already in ~~existence.~~ existence as a part of the Job Preparedness component. Additionally, the Commission or the county department of social services may refer an individual to a literacy council. Through a Memorandum of Understanding between the Employment Security ~~Commission and~~ Commission, the local department of social services, and other contracted entities, a system shall be established to monitor an individual's progress through close communications with the agencies assisting the individual. The Employment Security Commission or Job Preparedness provider shall adopt rules to accomplish this subsection.

(o) The Job Preparedness component of the Program shall last a maximum of 12 weeks unless the recipient is registered and is satisfactorily progressing in a program that requires additional time to complete. Every reasonable effort shall be made to place the recipient in part-time employment or part-time community service if the time required exceeds the 12-week maximum. The ~~Employment Security Commission~~ county

department of social services may contract with service providers to provide the services described in this section and shall monitor the provision of the services by the service providers. Registrants may participate in more than one component at a time.

(p) The Employment Security Commission shall expand its Labor Market Information System. The expansion shall at least include: statistical information on unemployment rates and other labor trends by county; and publications dealing with licensing requirements, economic development, and career projections, and information technology systems which can be used to track participants through the employment and training process.

(q) Each county shall organize a Job Service Employer Committee, based on the membership makeup of the Job Service Employer Committees in existence at the time this act becomes law. Each Job Service Employer Committee in counties participating in the First Stop Employment Program shall oversee the operation of the First Stop Employment Program in that county and shall report to the local Employment Security Commission quarterly on its recommendations to improve the First Stop Employment Program. The Employment Security Commission shall develop the reporting method and time frame and shall coordinate a full report to be presented to the Joint Legislative Public Assistance Commission by the end of each calendar year. Counties having a Workforce Development Board may designate the Board to perform the duties described in this section rather than organizing a Job Service Employer Committee.

(r) Each county's Job Service Employer Committee or Workforce Development Board shall continue the study of the working poor, titled `NC WORKS', in their respective counties and shall include the following in the study:

(1) Determination of the extent to which current labor market participation enables individuals and families to earn the amount of disposable income necessary to meet their basic needs;

(2) Determination of how many North Carolinians work and earn wages below one hundred fifty percent (150%) of the Federal Poverty Guideline and study trends in the size and demographic profiles of this underemployed group within the respective county;

(3) Examination of job market factors that contribute to any changes in the composition and numbers of the working poor including, but not limited to, shifts from manufacturing to service, from full-time to part-time work, from permanent to temporary or their contingent employment;

(4) Consideration and determination of the respective responsibilities of the public and private sectors in ensuring that working families and individuals have disposable income adequate to meet their basic needs;

(5) Evaluation of the effectiveness of the unemployment insurance system in meeting the needs of low-wage workers when they become unemployed;

(6) Examination of the efficacy of a State-earned income tax credit that would enable working families to meet the requirements of the basic needs budget;

(7) Examination of the wages, benefits, and protections available to part-time and temporary workers, leased employees, independent contractors, and other contingent workers as compared to regular full-time workers;

(8) Solicitation, receipt, and acceptance of grants or other funds from any person or entity and enter into agreements with respect to these grants

or other funds regarding the undertaking of studies or plans necessary to carry out the purposes of the committee; and

(9) A request of any necessary data from either public or private entities that relate to the needs of the committee or board.

Each committee or board shall prepare and submit a report on the finding for the county which it represents by May 1 of each year to the Joint Legislative Public Assistance Commission, the Senate Appropriations Committee on Human Resources, the House of Representatives Appropriations Subcommittee on Human Resources, the Senate Appropriations Committee on Natural and Economic Resources, and the House of Representatives Appropriations Subcommittee on Natural and Economic Resources.

(s) Members of families with dependent children and with aggregate family income at or below the level required for eligibility for Work First Family Assistance, regardless of whether or not they have applied for such assistance, shall be given priority in obtaining employment services including training and community service provided by or through State agencies or counties or with funds which are allocated to the State of North Carolina directly or indirectly through prime sponsors or otherwise for the purpose of employment of unemployed persons."

(n) Section 12.7(b) of S.L. 1997-443 is repealed.

(o) G.S. 105-259(b) is amended by adding a new subdivision to read:

"(9a) To furnish information to the Employment Security Commission to the extent required for its NC WORKS study of the working poor pursuant to G.S. 108A-29(r). The Employment Security Commission shall use information furnished to it under this subdivision only in a nonidentifying form for statistical and analytical purposes related to its NC WORKS study. The information that may be furnished under this subdivision is the following with respect to individual income taxpayers, as shown on the North Carolina income tax forms:

a. Name, social security number, spouse's name, and county of residence.

b. Filing status and federal personal exemptions.

c. Federal taxable income, additions to federal taxable income, and total of federal taxable income plus additional income.

d. Income while a North Carolina resident, total income from North Carolina sources while a nonresident, and total income from all sources."

(p) G.S. 96-14 is amended by adding a new subdivision to read:

"(1f) For the purposes of this Chapter, any claimant's leaving work, or discharge, if the claimant has been adjudged an aggrieved party as set forth by Chapter 50B of the General Statutes as the result of domestic violence committed upon the claimant or upon a minor child with or in the custody of the claimant by a person who has or has had a familial relationship with the claimant or minor child, shall constitute good cause for leaving work. Benefits paid on the basis of this section shall be noncharged."

(q) The Department of Health and Human Services shall apply to the United States Department of Agriculture to operate a simplified Food Stamp Program, to make it possible to include the value of food stamp payments as compensation for community service or work experience.

(r) Notwithstanding any law to the contrary, the Department of Health and Human Services and Electing Counties shall ensure that Individual Development Accounts' allowable purposes include purchase of a vehicle.

(r1) Beginning January 1, 1999, the Department shall report quarterly on the extent to which the State and counties are meeting federal maintenance of effort requirements under Temporary Assistance for Needy Families. The Department and the counties shall work together to maximize full achievement of the State and county maintenance of effort. The Department shall make its report to members of the House of Representatives Appropriations Subcommittee on Human Resources, the Senate Appropriations Committee on Human Resources, and the Joint Legislative Public Assistance Committee, and to the Fiscal Research Division.

(r2) The Department shall begin immediately to work with counties, area mental health authorities, and other public and private entities or partnerships that provide services to Temporary Assistance for Needy Families recipients paid for with State and local funds to identify those services and activities that meet federal maintenance of effort requirements. The Department shall report the status of identifying services and activities in its quarterly report on meeting federal maintenance of effort requirements as required under subsection (r1) of this section.

(r3) In order to maximize efficiency and effectiveness and minimize duplication of services under TANF, Welfare-to-Work, and First Stop Employment Assistance programs to help individuals attain economic self-sufficiency, the Department of Commerce, the Department of Community Colleges, the Department of Health and Human Services, and the Employment Security Commission shall design and implement activities and services under these programs in a way that maximizes use of TANF and Welfare-to-Work Formula Grant Plan funds in accordance with federal requirements.

(r4) The Department of Commerce shall provide to the General Assembly for its review a copy of the Welfare-to-Work Formula Grant Plan for the 1999-2000 fiscal year before submitting the Plan to the United States Department of Labor for its approval.

(s) Subsection (d) of this section becomes effective June 30, 1998.

Requested by: Senators Martin of Guilford, Cooper, Perdue, Dannelly, Phillips, Purcell, Representatives Gardner, Cansler, Clary, Howard, Berry, Esposito

WELFARE REFORM AUTOMATION FUNDING CARRY FORWARD

Section 12.28. Of the funds appropriated in S.L. 1997-443 to the Department of Health and Human Services for the 1997-98 fiscal year to implement welfare reform automation specified in the Work First Business Plan, the sum of seven million dollars ($7,000,000) may be carried forward to the 1998-99 fiscal year to be used for the same purposes.

Requested by: Representatives Gardner, Cansler, Clary, Howard, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

CHILD PLACING AGENCIES' RATE STUDY

Section 12.29A. From funds appropriated to the Department of Health and Human Services in this act, the Department shall contract with an independent consultant to conduct a study of the rate setting of the State's licensed child placing agencies. This study shall:

(1) Review the agencies' current rate-setting process; and

(2) Determine whether this process is resulting in adequate reimbursement.

The Department shall report the results of this study, together with any recommendations, to the members of the Senate Appropriations Committee on Human

Resources and the House of Representatives Appropriations Subcommittee on Human Resources by May 15, 1999.

Requested by: Representatives Gardner, Cansler, Clary, Howard, Berry, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

LABOR MARKET INFORMATION/COMMON FOLLOW UP SYSTEMS' FUNDS

Section 12.29B. Of the funds appropriated for the 1998-99 fiscal year to the Department of Health and Human Services for automation, the sum of one million dollars ($1,000,000) shall be transferred to the Employment Security Commission for the Labor Market Information and the Common Follow Up Systems.

Requested by: Representatives Gardner, Cansler, Clary, Howard, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

REPEAL REVIEW OF AUTOMATED COLLECTION AND TRACKING SYSTEM

Section 12.29C. Section 11.28 of S.L. 1997-443 is repealed.

Requested by: Representatives Gardner, Cansler, Clary, Howard, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

CHILD WELFARE SYSTEM PILOTS

Section 12.29D. (a) The Department of Health and Human Services, Division of Social Services, shall develop a plan, working with local departments of social services, to implement a dual response system of child protection in no fewer than two and no more than five demonstration areas in this State. The plan should provide for the pilots to implement dual response systems in which:

(1) Local child protective services and law enforcement work together as coinvestigators in serious abuse cases; and

(2) Local departments of social services respond to reports of child abuse or neglect with a family assessment and services approach.

(b) The Department of Health and Human Services shall plan for the development of data collection processes that would enable the General Assembly to assess the impact of these pilots on:

(1) Child safety;

(2) Timeliness of response;

(3) Timeliness of services;

(4) Coordination of local human services;

(5) Cost effectiveness;

(6) Any other related issues.

(c) The Department shall make a progress report on the development of the plan required under this section. The report shall be made no later than April 1, 1999, and shall be submitted to members of the House of Representatives Appropriations Subcommittee on Human Resources and the Senate Appropriations Committee on Human Resources.

(d) The Department of Health and Human Services may proceed to implement the pilot dual response systems if non-State funds are identified for this purpose.

Requested by: Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell, Representatives Gardner, Cansler, Clary, Howard

WORK FIRST RESERVE/SECOND YEAR FUNDS

Section 12.29F. Section 12.34 of S.L. 1997-443 reads as rewritten:

"Section 12.34. Of the funds appropriated in this act to the Department of ~~Human Resources,~~ Health and Human Services, the sum of sixteen million dollars ($16,000,000) for the 1997-98 fiscal year ~~and the sum of twenty million dollars ($20,000,000) for the 1998-99 fiscal year~~ shall be placed in the Work First Reserve Fund established pursuant to G.S. 143-15.3C."

SUBPART 6. MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

THOMAS S. COST CONTAINMENT REPORT EXTENSION

Section 12.30. Section 11.37 of S.L. 1997-443 reads as rewritten:

"Section 11.37. ~~(a) If Thomas S. funds are not sufficient, then notwithstanding G.S. 143-16.3 and G.S. 143-23, the Director of the Budget may use funds available to the Department in an amount not to exceed fifteen million two hundred thousand dollars ($15,200,000).~~

~~(b)~~ (a) The Department of ~~Human Resources,~~ Health and Human Services, in conjunction with area mental health programs, shall develop and implement cost containment measures to reduce the cost of direct services. The Department shall develop these strategies to emphasize positive client outcomes through developmental disability long-term managed supports rather than to emphasize process. These measures shall include, but not be limited to, the following:

(1) Reduction of those process-oriented tasks required by the State, including, but not limited to, tasks required by the Divisions of: Medical Assistance, Vocational Rehabilitation Services, Social Services, Facilities Services, and Mental Health, Developmental Disabilities, and Substance Abuse Services;

(2) Single stream funding from all available sources;

(3) Waivers of federal requirements in order to comply with the federal court order; and

(4) Review and, if necessary, amendment or repeal of rules that conflict or otherwise interfere with cost containment measures.

~~(c)~~ (b) The Department shall provide to the members of the House and Senate Appropriations Subcommittees on Human Resources, and to the Fiscal Research Division a detailed report of the status of development and implementation of cost containment measures required under this section. The report shall address each of the measures listed in subsection (b) of this section, and any other related cost containment measures developed by the Department. The Department shall provide the report on ~~December 1, 1997, and May 1, 1998.~~ May 1, 1999."

Requested by: Representatives Gardner, Cansler, Clary, Howard, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

EARLY INTERVENTION SERVICES/REFERRALS/STUDY

Section 12.32A. (a) Section 11.43 of S.L. 1997-443 reads as rewritten:

"Section 11.43. Of the funds appropriated in this act to the Department of Human Resources, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of five million dollars ($5,000,000) for the 1997-98 fiscal year and the sum of five million dollars ($5,000,000) for the 1998-99 fiscal year shall be allocated based on a plan developed in consultation with the affected divisions within the

Department and the North Carolina Interagency Coordinating Council to meet the needs of those children who are on the waiting list for early intervention services. The Department may create up to 41 new positions, as needed, in the Division of Services for the Blind and the Division of Services for the Deaf and the Hard of Hearing to expand early intervention-related preschool ~~services.~~ services for children from birth through five years of age with priority given to children birth through two years of age.

The North Carolina Schools for the Deaf and other agencies providing early intervention services to children from birth through five years of age shall ~~work together to develop procedures to ensure that Beginnings for Parents of Hearing-Impaired Children, Inc., shall be notified of children newly identified with hearing loss and determined to be eligible for services.~~ implement procedures to ensure that:

(1) Parents of children newly identified with hearing loss and determined to be eligible for services are informed of the services available to them through Beginnings for Parents of Hearing-Impaired Children, Inc., and

(2) Beginnings for Parents of Hearing-Impaired Children, Inc., with the consent of parents, is notified of these children in a timely and appropriate manner."

(b) The North Carolina Interagency Coordinating Council, with the assistance of the Department of Health and Human Services and the Department of Public Instruction, shall conduct a comprehensive review of North Carolina's system for delivering early intervention services to children ages birth through five years. This study shall identify issues and recommend solutions to the following:

(1) Eligibility for services,

(2) Quality, availability, and timeliness of services,

(3) Improving transition from the infant-toddler program to the pre-school program,

(4) Management of and focus on preschool services for children with vision and hearing impairments, and

(5) Matters pertaining to interagency coordination, and to funding.

The ICC shall report its findings and recommendations to the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources, the Education Oversight Committee, and the Fiscal Research Division not later than March 1, 1999.

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

NONMEDICAID REIMBURSEMENT CHANGES

Section 12.33. Section 11.12 of S.L. 1997-443 reads as rewritten:

"Section 11.12. Providers of medical services under the various State programs, other than Medicaid, offering medical care to citizens of the State shall be reimbursed at rates no more than those under the North Carolina Medical Assistance Program. Hospitals that provide psychiatric inpatient care for Thomas S. class members or adults with mental retardation and mental illness may be paid an additional incentive payment not to exceed fifteen percent (15%) of their regular daily per diem reimbursement.

The Department of ~~Human Resources~~ Health and Human Services may reimburse hospitals at the full prospective per diem rates without regard to the Medical Assistance Program's annual limits on hospital days. When the Medical Assistance Program's per diem rates for inpatient services and its interim rates for outpatient services are used to reimburse providers in non-Medicaid medical service programs, retroactive adjustments to claims already paid shall not be required.

Notwithstanding the provisions of paragraph one, the Department of ~~Human Resources~~ Health and Human Services may negotiate with providers of medical services under the various Department of ~~Human Resources~~ Health and Human Services programs, other than Medicaid, for rates as close as possible to Medicaid rates for the following purposes: contracts or agreements for medical services and purchases of medical equipment and other medical supplies. These negotiated rates are allowable only to meet the medical needs of its non-Medicaid eligible patients, residents, and clients who require such services which cannot be provided when limited to the Medicaid rate.

Maximum net family annual income eligibility standards for services in these programs shall be as follows:

Family Size	Medical Eye Care Adults	All Rehabilitation	Other
1	$ 4,860	$ 8,364	$ 4,200
2	5,940	10,944	5,300
3	6,204	13,500	6,400
4	7,284	16,092	7,500
5	7,824	18,648	7,900
6	8,220	21,228	8,300
7	8,772	21,708	8,800
8	9,312	22,220	9,300

The eligibility level for children in the Medical Eye Care Program in the Division of Services for the Blind ~~and for adults in the Atypical Antipsychotic Medication Program in the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services~~ shall be one hundred percent (100%) of the federal poverty guidelines, as revised annually by the United States Department of Health and Human Services and in effect on July 1 of each fiscal year. The eligibility level for people in the Atypical Antipsychotic Medication Program in the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall be one hundred fifteen percent (115%) of the federal poverty guidelines, as revised annually by the United States Department of Health and Human Services and in effect on July 1 of each fiscal year. Additionally, those adults enrolled in the Atypical Antipsychotic Medication Program who become gainfully employed may continue to be eligible to receive State support, in decreasing amounts, for the purchase of atypical antipsychotic medication and related services up to three hundred percent (300%) of the poverty level.

State financial participation in the Atypical Antipsychotic Medication Program for those enrollees who become gainfully employed is as follows:

Income (% of poverty)	State Participation	Client Participation
0-100%	100%	0%
101-120%	95%	5%
121-140%	85%	15%
141-160%	75%	25%
161-180%	65%	35%
181-200%	55%	45%
201-220%	45%	55%
221-240%	35%	65%
241-260%	25%	75%

261-280%	15%	85%
281-300%	5%	95%
301%-over	0%	100%.

The Department of ~~Human Resources~~ Health and Human Services shall contract at, or as close as possible to, Medicaid rates for medical services provided to residents of State facilities of the Department."

Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom, Cooper, Dannelly, Phillips, Purcell, Representatives Gardner, Cansler, Clary, Howard, Ellis, Holmes, Esposito, Creech, Crawford

FUNDS TO REDUCE WAITING LIST FOR SERVICES FOR DEVELOPMENTALLY DISABLED PERSONS/DEVELOPMENTAL DISABILITY SERVICES REVIEW AND INITIATIVES

Section 12.34. (a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of six million dollars ($6,000,000) for the 1998-99 fiscal year shall be used to provide family support services to developmentally disabled individuals who are not eligible for the Medicaid Community Alternative Program for Mentally Retarded/Developmentally Disabled persons and who are on the Department's waiting list for services.

(b) The Department of Health and Human Services shall review and implement initiatives to provide and enhance person-centered and family support services to developmentally disabled individuals served by the State and local public mental health services system. In order to accomplish this, the Department shall do all of the following:

(1) Immediately pursue approval from the Health Care Financing Administration to implement flexible funding under the CAP-MR/DD Waiver as soon as possible;

(2) Study the feasibility of providing new or additional services as part of the regular Medicaid program which are aimed at keeping developmentally disabled individuals in their homes rather than using the current criterion used in the Medicaid CAP-MR/DD Waiver Program. The study shall include a projected cost-benefit analysis;

(3) Work with area mental health authorities to determine why Medicaid-eligible individuals are waiting for services in the area mental health programs;

(4) Establish goals for the State and area mental health programs that require not more than a six-month wait for services for developmentally disabled individuals;

(5) Collaborate with area mental health programs to maximize the use of existing funds to increase services to the developmentally disabled, non-Medicaid and non-CAP-MR/DD eligible population; and

(6) Pursue additional Medicaid waivers which emphasize person-centered and family support services for developmentally disabled individuals.

The Department shall work with other State agencies as necessary to implement this section.

The Department shall report the results of its compliance with this section to the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources not later

than May 1, 1999. The report shall also include the impact of expansion funds on the waiting list for services for developmentally disabled individuals.

Requested by: Representatives Gardner, Cansler, Clary, Howard, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

STUDY OF STATE PSYCHIATRIC HOSPITALS/AREA MENTAL HEALTH PROGRAMS

Section 12.35A. (a) Of the funds appropriated in this act to the Department of Health and Human Services, the sum of seven hundred fifty thousand dollars ($750,000) for the 1998-99 fiscal year shall be transferred to the Office of the State Auditor. The State Auditor shall use these funds to coordinate a comprehensive study of the State psychiatric hospitals and area mental health programs and shall involve the Fiscal Research Division throughout the study process on such matters as Requests for Proposals and study content. Also throughout the study process, the State Auditor shall consult with the Fiscal Research Division and with the Department of Health and Human Services on other matters pertaining to the study. In coordinating the study project, the State Auditor shall contract with independent consultants with expertise in the structure, administration, and programs of mental health systems and state psychiatric hospitals. The study shall build upon results of the MGT, Inc., study, shall include costs of construction and operation of new facilities as compared to redesign and long-term operation of other existing State psychiatric hospitals, and, weighing both cost efficiencies and the availability of and access to quality patient care, shall assess all of the following:

(1) How many and what type of beds are needed statewide, in a manner that provides adequate and efficient access.

(2) The capacity and ability of area mental health programs to efficiently and effectively absorb specific services now provided within the existing State hospital system.

(3) The overall structure of the mental health delivery system, including:

a. Changes that should be made to ensure an operating structure through which improved and adequate quality of services to clients will be delivered efficiently;

b. The kinds of structures and processes that should be established to ensure the most efficient and effective systems for governance, service delivery, program administration, and oversight;

c. Any changes that should be made in the relationships and roles pertaining to State and local government agencies so as to create and foster more efficient and effective program operations.

(4) Current operational and administrative policies and procedures, and current funding streams.

(b) The State Auditor shall make the following reports to the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources:

(1) An interim report on the study of the State psychiatric hospitals not later than May 1, 1999, and a final report not later than December 1, 1999.

(2) A progress report on the study of the area mental health programs not later than March 15, 1999, a first interim report not later than May 1, 1999, a second interim report not later than November 1, 1999, and a final report not later than April 1, 2000.

(3) An interim report on items required under subsection (a)(4) of this section not later than March 15, 1999, and a final report not later than May 1, 1999.

(c) In coordinating this study project, the State Auditor shall ensure that reasonable opportunity during the study is provided for collaboration and consultation between the entity conducting the study, the Department of Health and Human Services, and other affected parties.

Requested by: Representatives Gardner, Cansler, Clary, Howard, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

CIVIL COMMITMENT/FORENSIC UNIT

Section 12.35B. (a) G.S. 15A-1321 reads as rewritten:

"§ 15A-1321. Automatic civil commitment of defendants found not guilty by reason of insanity.

(a) When a defendant charged with a ~~crime~~ crime, wherein it is not alleged that the defendant inflicted or attempted to inflict serious physical injury or death, is found not guilty by reason of insanity by verdict or upon motion pursuant to G.S. 15A-959(c), the presiding judge shall enter an order finding that the defendant has been found not guilty by reason of insanity of a crime and committing the defendant to a State 24-hour facility designated pursuant to G.S. 122C-252. The court order shall also grant custody of the defendant to a law enforcement officer who shall take the defendant directly to that facility. Proceedings thereafter are in accordance with Part 7 of Article 5 of Chapter 122C of the General Statutes.

(b) When a defendant charged with a crime, wherein it is alleged that the defendant inflicted or attempted to inflict serious physical injury or death, is found not guilty by reason of insanity, by verdict, or upon motion pursuant to G.S. 15A-959(c), notwithstanding any other provision of law, the presiding judge shall enter an order finding that the defendant has been found not guilty by reason of insanity of a crime and committing the defendant to a Forensic Unit operated by the Department of Health and Human Services, where the defendant shall reside until the defendant's release in accordance with Chapter 122C of the General Statutes. The court order shall also grant custody of the defendant to a law enforcement officer who shall take the defendant directly to the facility. Proceedings not inconsistent with this section shall thereafter be in accordance with Part 7 of Article 5 of Chapter 122C of the General Statutes."

(b) This section becomes effective January 1, 1999, and applies to offenses committed on and after that date.

Requested by: Senators Martin of Guilford, Phillips, Dannelly, Cooper, Purcell, Representatives Gardner, Cansler, Clary, Howard

AREA MENTAL HEALTH AUTHORITY PROGRAM ACCOUNTABILITY

Section 12.35C. (a) G.S. 122C-112(a) is amended by adding the following new subdivision to read:

"(16) Monitor the fiscal and administrative practices of area mental health programs to ensure that the programs are accountable to the State for the management and use of federal and State funds allocated for mental health, developmental disabilities, and substance abuse services. The Secretary shall ensure maximum accountability by area programs for rate-setting methodologies, reimbursement procedures, billing procedures, provider contracting procedures, record keeping, documentation, and other matters pertaining to financial management

and fiscal accountability. The Secretary shall further ensure that the practices are consistent with professionally accepted accounting and management principles."

(b) Notwithstanding G.S. 150B-21.1, the Secretary may adopt temporary rules to implement subsection (a) of this section, provided that the temporary rules shall not become effective until 60 days after the Secretary has provided notice and opportunity for written comment to the general public of the Secretary's intent to adopt temporary rules, the purpose and subject matter of the rules, and the effective date of the rules. Notice and comment shall be through publication in the North Carolina Register, in the print media, and through mailings to area mental health authorities and other appropriate mental health institutions and providers that will be subject to the temporary rules.

(c) G.S. 122C-112(b) is amended by adding the following new subdivisions to read:

"(10) Contract with one or more private providers or other public service agencies to serve clients of an area authority and reallocate the area authority's funds to pay for services under the contract if the Secretary finds all of the following:

a. The area authority refuses or has failed to provide the services to clients within its service area in a manner that is at least adequate.

b. Clients within the area authority's service area will either not be served or will suffer an unreasonable hardship if required to obtain the services from another area authority.

c. There is at least one private provider or public service agency within the area authority's service area willing and able to provide services under contract.

Before contracting with a private provider as authorized under this subdivision, the Secretary shall provide written notification to the area board of the Secretary's intent to contract, and shall provide the area authority an opportunity to be heard.

(11) Contract with one or more private providers or other public service agencies to serve clients from more than one area authority and reallocate the funds of the applicable area authorities to pay for services under the contract if the Secretary finds either that there is no area program available to act as the administrative entity under contract with the provider or that the administering area program refuses or has failed to properly manage and administer the contract with the contract provider and clients will either not be served or will suffer unreasonable hardship if services are not provided under the contract. Before contracting with a private provider as authorized under this subdivision, the Secretary shall provide written notification to the area board of the Secretary's intent to contract, and shall provide the area authority an opportunity to be heard."

(d) G.S. 122C-191(d) reads as rewritten:

"(d) The Secretary shall develop rules for a review process to monitor area facilities and State facilities for compliance with the required quality assurance activities as well as other rules of the Commission and the Secretary. The rules may provide that the Secretary has the authority to determine whether applicable standards of practice have been met."

(e) The Secretary shall ensure that contracts between the Department and area mental health authorities are in standardized form to the extent practicable.

(f) The Secretary shall submit a report to the Legislative Study Commission on Mental Health, Developmental Disabilities, and Substance Abuse Services and to the Joint Legislative Health Care Oversight Committee not later than March 1, 1999. The report shall include all of the following:

(1) Temporary rules adopted pursuant to subsection (a) of this section.

(2) Methods for ensuring area mental health authority compliance with the rules. Methods shall take into account the Secretary's existing authority over area programs under G.S. 122C-124, 122C-125, 122C-125.1, and 122C-126, as well as the general powers and duties conferred upon the Secretary under Chapter 122C of the General Statutes.

(3) Methods for ensuring area mental health program compliance with applicable standards of practice and with existing laws, rules, and regulations governing clinical practices.

(4) Methods for assisting area mental health programs in complying with applicable standards of practice and with State and federal laws, rules, regulations, and standards.

(5) Any recommendations, including proposed legislation, the Secretary may have to enhance accountability of area mental health programs.

Requested by: Representatives Cansler, Gardner, Clary, Howard, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

AGENCY OVERSIGHT OF CARE PROVIDED TO PERSONS WITH MENTAL ILLNESS AND DEVELOPMENTAL DISABILITIES

Section 12.35D. The Department of Health and Human Services shall review the effectiveness of existing agency oversight with respect to family care centers, foster homes, nursing homes, and adult care homes which provide care for persons with mental illness and for persons with developmental disabilities. The report shall include, but not be limited to, all of the following:

(1) The current status of enforcement of existing laws, rules, and regulations in local settings, who is responsible for enforcement and under what authority,

(2) Whether and to what extent clients, families, and staff in small residential settings feel free to speak to responsible authorities empowered to resolve problems without fear of reprisal, and

(3) What can be done about problems in facilities that require immediate resolution for which no enforcement remedies are immediately available.

The Department shall report its findings and recommendations to the Joint Legislative Health Care Oversight Committee and the Legislative Study Commission on Mental Health, Developmental Disabilities, and Substance Abuse Services no later than April 1, 1999.

Requested by: Representatives Gardner, Cansler, Clary, Howard, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

SUBSTANCE ABUSE GRANT-IN-AID

Section 12.35G. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and

Substance Abuse Services, the sum of one hundred thousand dollars ($100,000) shall be used as a grant-in-aid to Day-by-Day, Inc., for the provision of substance abuse services statewide. The Department, in conjunction with Day-by-Day, Inc., shall report to the House of Representatives Appropriations Subcommittee on Human Resources and the Senate Appropriations Committee on Human Resources on the use of these funds and on the following:

(1) The number of clients served by Day-by-Day, Inc.,
(2) The types of services provided,
(3) Demographic information on clients served,
(4) Source of referrals to Day-by-Day, and
(5) Changes being implemented by Day-by-Day to improve and stabilize management practices and financial accountability.

The Department shall make its report no later than March 1, 1999.

SUBPART 7. CHILD DEVELOPMENT

Requested by: Senators Plyler, Perdue, Odom, Cooper, Representatives Holmes, Esposito, Creech, Crawford

EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES REFORM

Section 12.37B. (a) Part 10B of Article 3 of Chapter 143B of the General Statutes reads as rewritten:

"Part 10B. Early Childhood Initiatives.

"§ 143B-168.10. Early childhood initiatives; findings.

The General Assembly finds, upon consultation with the Governor, that every child can benefit from, and should have access to, high-quality early childhood education and development services. The economic future and well-being of the State depend upon it. To ensure that all children have access to high-quality early childhood education and development services, the General Assembly further finds that:

(1) Parents have the primary duty to raise, educate, and transmit values to young preschool children;
(2) The State can assist parents in their role as the primary caregivers and educators of young preschool children; and
(3) There is a need to explore innovative approaches and strategies for aiding parents and families in the education and development of young preschool children.

"§ 143B-168.11. Early childhood initiatives; purpose; definitions.

(a) The purpose of this Part is to establish a framework whereby the General Assembly, upon consultation with the Governor, may support through financial and other means, the North Carolina Partnership for Children, Inc. and comparable local partnerships, which have as their missions the development of a comprehensive, long-range strategic plan for early childhood development and the provision, through public and private means, of high-quality early childhood education and development services for children and families. It is the intent of the General Assembly that communities be given the maximum flexibility and discretion practicable in developing their ~~plans.~~ plans while remaining subject to the approval of the North Carolina Partnership and accountable to the North Carolina Partnership and to the General Assembly for their plans and for the programmatic and fiscal integrity of the programs and services provided to implement them.

(b) The following definitions apply in this Part:

(1) Board of Directors. -- The Board of Directors of the North Carolina Partnership for Children, Inc.

(2) Department. -- The Department of Health and Human Services.

(2.1) Early Childhood. -- Birth through five years of age.

(3) Local Partnership. -- A ~~local,~~ county or regional private, nonprofit 501(c)(3) organization established to coordinate a local demonstration ~~project~~ project, to provide ongoing analyses of their local needs that must be met to ensure that the developmental needs of children are met in order to prepare them to begin school healthy and ready to succeed, and, in consultation with the North Carolina Partnership and subject to the approval of the North Carolina Partnership, to provide programs and services to meet these needs under this ~~Part.~~ Part, while remaining accountable for the programmatic and fiscal integrity of their programs and services to the North Carolina Partnership.

(4) North Carolina Partnership. -- The North Carolina Partnership for Children, Inc.

(5) Secretary. -- The Secretary of Health and Human Services.

"§ 143B-168.12. North Carolina Partnership for Children, Inc.; conditions.

(a) In order to receive State funds, the following conditions shall be met:

(1) The North Carolina Partnership shall have a Board of Directors consisting of the following ~~38~~ 25 members:

a. The Secretary of Health and Human Services, ex ~~officio;~~ officio, or the Secretary's designee;

b. Repealed by Session Laws 1997, c. 443, s. 11A.105.

c. The Superintendent of Public Instruction, ex ~~officio;~~ officio, or the Superintendent's designee;

d. The President of the Department of Community Colleges, ex ~~officio;~~ officio, or the President's designee;

e. ~~One resident from each of the 1st, 3rd, 5th, 7th, 9th, and 11th Congressional Districts, appointed by the President Pro Tempore of the Senate;~~ Three members of the public, including one child care provider, one other who is a parent, and one other who is a board chair of a local partnership serving on the North Carolina Partnership local partnership advisory committee, appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate;

f. ~~One resident from each of the 2nd, 4th, 6th, 8th, 10th, and 12th Congressional Districts, appointed by the Speaker of the House of Representatives;~~ Three members of the public, including one who is a parent, one other who is a representative of the faith community, and one other who is a board chair of a local partnership serving on the North Carolina Partnership local partnership advisory committee, appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives;

g. ~~Seventeen~~ Twelve members, ~~of whom four~~ appointed by the Governor. Three of these 12 members shall be members of the party other than the Governor's party, appointed by the ~~Governor;~~ Governor. Seven of these 12 members shall be appointed as follows: one who is a child care provider, one other

who is a pediatrician, one other who is a health care provider, one other who is a parent, one other who is a member of the business community, one other who is a member representing a philanthropic agency, and one other who is an early childhood educator;

~~h.~~ h1. ~~The President Pro Tempore of the Senate, or a designee;~~The Chair of the North Carolina Partnership Board shall be appointed by the Governor;

~~i. The Speaker of the House of Representatives, or a designee;~~

j. ~~The~~ One member of the public appointed by the General Assembly upon recommendation of the Majority Leader of the ~~Senate, or a designee;~~ Senate;

k. ~~The~~ One member of the public appointed by the General Assembly upon recommendation of the Majority Leader of the House of ~~Representatives, or a designee;~~ Representatives;

l. ~~The~~ One member of the public appointed by the General Assembly upon recommendation of the Minority Leader of the ~~Senate, or a designee;~~ Senate; and

m. ~~The~~ One member of the public appointed by the General Assembly upon recommendation of the Minority Leader of the House of ~~Representatives, or a designee.~~ Representatives.

All members appointed to succeed the initial members and members appointed thereafter shall be appointed for three-year terms. Members may succeed themselves.

All appointed board members shall avoid conflicts of interests and the appearance of impropriety. Should instances arise when a conflict may be perceived, any individual who may benefit directly or indirectly from the North Carolina Partnership's disbursement of funds shall abstain from participating in any decision or deliberations by the North Carolina Partnership regarding the disbursement of funds.

All ex officio members are voting members. Each ex officio member may be represented by a designee. These designees shall be voting members. No members of the General Assembly shall serve as members.

The North Carolina Partnership may establish a nominating committee and, in making their recommendations of members to be appointed by the General Assembly or by the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Majority Leader of the Senate, the Majority Leader of the House of Representatives, the Minority Leader of the Senate, the Minority Leader of the House of Representatives, and the Governor shall consult with and consider the recommendations of this nominating committee.

The North Carolina Partnership may establish a policy on members' attendance, which policy shall include provisions for reporting absences of at least three meetings immediately to the appropriate appointing authority.

Members who miss more than three consecutive meetings without excuse or members who vacate their membership shall be replaced by the appropriate appointing authority, and the replacing member shall

serve either until the General Assembly and the Governor can appoint a successor or until the replaced member's term expires, whichever is earlier.

The North Carolina Partnership shall establish a policy on membership of the local board, which policy shall include the requirement that all local board members be residents of the county or the partnership region they are representing. Within these requirements for local board membership, the North Carolina Partnership shall allow local partnerships that are regional to have flexibility in the composition of their boards so that all counties in the region have adequate representation.

All appointed local board members shall avoid conflicts of interests and the appearance of impropriety. Should instances arise when a conflict may be perceived, any individual who may benefit directly or indirectly from the partnership's disbursement of funds shall abstain from participating in any decision or deliberations by the partnership regarding the disbursement of funds.

(2) The North Carolina Partnership and the local partnerships shall agree to adopt procedures for its operations that are comparable to those of Article 33C of Chapter 143 of the General Statutes, the Open Meetings Law, and Chapter 132 of the General Statutes, the Public Records Law, and provide for enforcement by the Department.

(3) The North Carolina Partnership shall oversee the development and implementation of the local demonstration projects as they are ~~selected.~~ selected and shall approve the ongoing plans, programs, and services developed and implemented by the local partnerships and hold the local partnerships accountable for the financial and programmatic integrity of the programs and services.

In the event that the North Carolina Partnership determines that a local partnership is not fulfilling its mandate to provide programs and services designed to meet the developmental needs of children in order to prepare them to begin school healthy and ready to succeed and is not being accountable for the programmatic and fiscal integrity of its programs and services, the North Carolina Partnership may suspend all funds to the partnership until the partnership demonstrates that these defects are corrected. Further, at its discretion, the North Carolina Partnership may assume the managerial responsibilities for the partnership's programs and services until the North Carolina Partnership determines that it is appropriate to return the programs and services to the local partnership.

(4) The North Carolina Partnership shall develop and implement a comprehensive standard fiscal accountability plan to ensure the fiscal integrity and accountability of State funds appropriated to it and to the local partnerships. The standard fiscal accountability plan shall, at a minimum, include a uniform, standardized system of accounting, internal controls, payroll, fidelity bonding, chart of accounts, and contract management and monitoring. The North Carolina Partnership may contract with outside firms to develop and implement the standard fiscal accountability plan. All local partnerships shall be required to

participate in the standard fiscal accountability plan developed and adopted by the North Carolina Partnership pursuant to this subdivision.

(5) The North Carolina Partnership shall develop ~~and implement~~ a centralized accounting and contract management system which incorporates features of the required standard fiscal accountability plan described in subdivision (4) of subsection (a) of this section. The following local partnerships shall be required to participate in the centralized accountability system developed by the North Carolina Partnership pursuant to this subdivision:

a. Local partnerships which have significant deficiencies in their accounting systems, internal controls, and contract management systems, as determined by the North Carolina Partnership based on the annual financial audits of the local partnerships conducted by the Office of the State Auditor; and

b. Local partnerships which are in the first two years of operation following their selection, except for those created by combination with existing local partnerships. At the end of this two-year period, local partnerships shall continue to participate in the centralized accounting and contract management system. With the approval of the North Carolina Partnership, local partnerships may perform accounting and contract management functions at the local level using the standardized and uniform accounting system, internal controls, and contract management systems developed by the North Carolina Partnership.

Local partnerships which otherwise would not be required to participate in the centralized accounting and contract management system pursuant to this subdivision may voluntarily choose to participate in the system. Participation or nonparticipation shall be for a minimum of two years, unless, in the event of nonparticipation, the North Carolina Partnership determines that any partnership's annual financial audit reveals serious deficiencies in accounting or contract management.

(6) The North Carolina Partnership shall develop a formula for allocating direct services funds appropriated for this purpose to local partnerships.

(7) The North Carolina Partnership may adjust its allocations on the basis of local partnerships' performance assessments. In determining whether to adjust its allocations to local partnerships, the North Carolina Partnership shall consider whether the local partnerships are meeting the outcome goals and objectives of the North Carolina Partnership and the goals and objectives set forth by the local partnerships in their approved annual program plans.

The North Carolina Partnership may use additional factors to determine whether to adjust the local partnerships' allocations. These additional factors shall be developed with input from the local partnerships and shall be communicated to the local partnerships when the additional factors are selected. These additional factors may include board involvement, family and community outreach, collaboration among public and private service agencies, and family involvement.

On the basis of performance assessments, local partnerships annually shall be rated `superior', `satisfactory', or `needs improvement'. Local

partnerships rated `superior' may receive, to the extent that funds are available, a ten percent (10%) increase in their annual funding allocation. Local partnerships rated `satisfactory' may receive their annual funding allocation. Local partnerships rated `needs improvement' may receive up to ninety percent (90%) of their annual funding allocation.

The North Carolina Partnership may contract with outside firms to conduct the performance assessments of local partnerships.

(8) The North Carolina Partnership shall establish a local partnership advisory committee comprised of 15 members. Eight of the members shall be chairs of local partnerships' board of directors, and seven shall be staff of local partnerships. Members shall be chosen by the Chair of the North Carolina Partnership from a pool of candidates nominated by their respective boards of directors. The local partnership advisory committee shall serve in an advisory capacity to the North Carolina Partnership and shall establish a schedule of regular meetings. ~~Members shall serve two-year terms and shall not serve more than two consecutive terms.~~ Members shall be chosen from local partnerships on a rotating basis. The advisory committee shall annually elect a chair from among its members.

(9) The North Carolina Partnership shall report (i) quarterly to the Joint Legislative Commission on Governmental Operations and (ii) to the General Assembly and the Governor on the ongoing progress of all the local partnerships' work, including all details of the use to which the allocations were put, and on the continuing plans of the North Carolina Partnership and of the Department, together with legislative proposals, including proposals to implement the program statewide.

(b) The North Carolina Partnership shall be subject to audit and review by the State Auditor under Article 5A of Chapter 147 of the General Statutes. The State Auditor shall conduct annual financial and compliance audits of the North Carolina Partnership.

(c) The North Carolina Partnership shall require each local partnership to place in each of its contracts a statement that the contract is subject to monitoring by the local partnership and North Carolina Partnership, that contractors and subcontractors shall be fidelity bonded, unless the contractors or subcontractors receive less than one hundred thousand dollars ($100,000) or unless the contract is for child care subsidy services, that contractors and subcontractors are subject to audit oversight by the State Auditor, and that contractors and subcontractors shall be audited as required by G.S. 143-6.1. Organizations subject to G.S. 159-34 shall be exempt from this requirement.

"§ 143B-168.13. Implementation of program; duties of Department and Secretary.

~~(a)~~ The Department shall:

~~(1) Develop a statewide process, in cooperation with the North Carolina Partnership, to select the local demonstration projects. The first 12 local demonstration projects developed and implemented shall be located in the 12 congressional districts, one to a district. The locations of subsequent selections of local demonstration projects shall represent the various geographic areas of the State.~~

~~(2)~~ (1a) Develop and conduct a statewide needs and resource assessment every third year, beginning in the 1997-98 fiscal year. This needs assessment shall be conducted in cooperation with the North Carolina Partnership and with the local partnerships. The

Department may contract with an independent firm to conduct the needs assessment. The needs assessment shall be conducted in a way which enables the Department and the North Carolina Partnership to review, and revise as necessary, the total program cost estimate and methodology. The data and findings of this needs assessment shall form the basis for annual program plans developed by local partnerships and approved by the North Carolina Partnership. A report of the findings of the needs assessment shall be presented to the General Assembly prior ~~to the beginning of the 1999 Session~~ to April 1, 1999, and every three years after that date.

(2a) Develop and maintain an automated, publicly accessible database of all regulated child care programs.

(3) Repealed by Session Laws 1997, c. 443, s. 11.55(m).

(4) Adopt, in cooperation with the North Carolina Partnership, any rules necessary to implement this Part, including rules to ensure that State leave policy is not applied to the North Carolina Partnership and the local partnerships. In order to allow local partnerships to focus on the development of long-range plans in their initial year of funding, the Department may adopt rules that limit the categories of direct services for young children and their families for which funds are made available during the initial year.

(5) Repealed by Session Laws 1996, Second Extra Session, c. 18, s. 24.29(c).

(6) Annually update its funding formula using the most recent data available. These amounts shall serve as the basis for determining `full funding' amounts for each local partnership.

~~(b) The Secretary shall approve, upon recommendation of the North Carolina Partnership, all allocations of State funds to local demonstration projects. The Secretary also shall approve all local plans.~~

"§ 143B-168.14. Local partnerships; conditions.

(a) In order to receive State funds, the following conditions shall be met:

(1) Each local ~~demonstration project shall be coordinated by a new local~~ partnership ~~responsible for developing~~ shall develop a comprehensive, collaborative, long-range plan of services to children and families in the service-delivery area. ~~The board of directors of each local partnership shall consist of members including representatives of public and private nonprofit health and human service agencies, child care providers, the business community, foundations, county and municipal governments, local education units, and families. The Department, in cooperation with the North Carolina Partnership, may specify in its requests for applications the local agencies that shall be represented on a local board of directors.~~ No existing local, private, nonprofit 501(c)(3) organization, other than one established on or after July 1, 1993, and that meets the guidelines for local partnerships as established under this Part, shall be eligible to apply to serve as the local partnership for the purpose of this Part. The Board of the North Carolina Partnership may authorize exceptions to this eligibility requirement.

(2) Each local partnership shall agree to adopt procedures for its operations that are comparable to those of Article 33C of Chapter 143 of the General Statutes, the Open Meetings Law, and Chapter 132 of the General Statutes, the Public Records Law, and provide for enforcement by the Department.

(3) Each local partnership shall adopt procedures to ensure that all personnel who provide services to young children and their families under this Part know and understand their responsibility to report suspected child abuse, neglect, or dependency, as defined in G.S. 7A-517.

(4) Each local partnership shall participate in the uniform, standard fiscal accountability plan developed and adopted by the North Carolina Partnership.

(b) Each local partnership shall be subject to audit and review by the State Auditor under Article 5A of Chapter 147 of the General Statutes. The State Auditor shall conduct annual financial and compliance audits of the local partnerships.

"§ 143B-168.15. Use of State funds.

(a) State funds allocated to local projects for services to children and families shall be used to meet assessed needs, expand coverage, and improve the quality of these services. The local plan shall address the assessed needs of all children to the extent feasible. It is the intent of the General Assembly that the needs of both young children below poverty who remain in the home, as well as the needs of young children below poverty who require services beyond those offered in child care settings, be addressed,. Therefore, as local partnerships address the assessed needs of all children, they should devote an appropriate amount of their State allocations, considering these needs and other available resources, to meet the needs of children below poverty and their families.

(b) Depending on local, regional, or statewide needs, funds may be used to support activities and services that shall be made available and accessible to providers, children, and families on a voluntary basis. Of the total funds allocated to all local partnerships for direct services, seventy percent (70%) shall be used in child care-related activities and programs which improve access to child care services, develop new child care services, or improve the quality of child care services in all settings.

(c) Long-term plans for local projects that do not receive their full allocation in the first year, other than those selected in 1993, should consider how to meet the assessed needs of low-income children and families within their neighborhoods or communities. These plans also should reflect a process to meet these needs as additional allocations and other resources are received.

(d) State funds designated for start-up and related activities may be used for capital expenses or to support activities and services for children, families, and providers. State funds designated to support direct services for children, families, and providers shall not be used for major capital expenses unless the North Carolina Partnership approves this use of State funds based upon a finding that a local partnership has demonstrated that (i) this use is a clear priority need for the local plan, (ii) it is necessary to enable the local partnership to provide services and activities to underserved children and families, and (iii) the local partnership will not otherwise be able to meet this priority need by using State or federal funds available to that local partnership. The funds approved for capital projects in any two consecutive fiscal years may not exceed ten percent (10%) of the total funds for direct services allocated to a local partnership in those two consecutive fiscal years.

(e) State funds allocated to local partnerships shall not supplant current expenditures by counties on behalf of young children and their families, and maintenance of current efforts on behalf of these children and families shall be sustained. State funds shall not be applied without the Secretary's approval where State or federal funding sources, such as Head Start, are available or could be made available to that county.

(f) Local partnerships may carry over funds from one fiscal year to the next, subject to the following conditions:

(1) Local partnerships in their first year of receiving direct services funding may, on a one-time basis only, carry over any unspent funds to the subsequent fiscal year.

(2) Any local partnership may carry over any unspent funds to the subsequent fiscal year, subject to the limitation that funds carried over may not exceed the increase in funding the local partnership received during the current fiscal year over the prior fiscal year.

(g) Not less than thirty percent (30%) of each local partnership's direct services allocation shall be used to expand child care subsidies. To the extent practicable, these funds shall be used to enhance the affordability, availability, and quality of child care services as described in this section.

"§ 143B-168.16. Home-centered services; consent.

No home-centered services including home visits or in-home parenting training shall be allowed under this Part unless the written, informed consent of the participating parents authorizing the home-centered services is first obtained by the local partnership, educational institution, local school administrative unit, private school, not-for-profit organization, governmental agency, or other entity that is conducting the parenting program. The participating parents may revoke at any time their consent for the home-centered services.

The consent form shall contain a clear description of the program including (i) the activities and information to be provided by the program during the home visits, (ii) the number of expected home visits, (iii) any responsibilities of the parents, (iv) the fact, if applicable, that a record will be made and maintained on the home visits, (v) the fact that the parents may revoke at any time the consent, and (vi) any other information as may be necessary to convey to the parents a clear understanding of the program.

Parents at all times shall have access to any record maintained on home-centered services provided to their family and may place in that record a written response to any information with which they disagree that is in the record."

(b) Section 11.55 of S.L. 1997-443 reads as rewritten:

"Section 11.55. (a) The General Assembly finds that it is essential to continue developing comprehensive programs that provide high quality early childhood education and development services locally for children and their families. The General Assembly intends to expand the Early Childhood Education and Development Initiatives Program (the `Program') in a manner which ensures quality assurance and performance-based accountability for the Program.

(b) Notwithstanding any provision of Part 10B of Article 3 of Chapter 143B of the General Statutes or any other provision of law or policy, the Department of ~~Human Resources~~ Health and Human Services and the North Carolina Partnership for Children, Inc., jointly shall continue to implement the recommendations contained in the Smart Start Performance Audit prepared pursuant to Section 27A(1)b. of Chapter 324 of the 1995 Session Laws, as modified by Section 24.29 of Chapter 18 of the Session Laws, Second Extra Session 1996. The North Carolina Partnership for Children, Inc., shall continue to report quarterly to the Joint Legislative Commission on Governmental

Operations on its progress toward full implementation of the modified audit recommendations.

(c) The Joint Legislative Commission on Governmental Operations shall, consistent with current law, continue to be the legislative oversight body for the Program. The President Pro Tempore of the Senate and the Speaker of the House of Representatives may appoint a subcommittee of the Joint Legislative Commission on Governmental Operations to carry out this function. This subcommittee may conduct all initial reviews of plans, reports, and budgets relating to the Program and shall make recommendations to the Joint Legislative Commission on Governmental Operations.

(d) Administrative costs shall be equivalent to, on an average statewide basis for all local partnerships, not more than eight percent (8%) of the total statewide allocation to all local partnerships. What counts as administrative costs shall be as defined in the Smart Start Performance Audit.

(e) Any local partnership, before receiving State funds, shall be required annually to submit a plan and budget for State funds for appropriate programs to the North Carolina Partnership for Children, Inc., and the Joint Legislative Commission on Governmental Operations. State funds to implement the programs shall not be allocated to a local partnership until the program plan is approved by the North Carolina Partnership for Children, Inc.

(f) The North Carolina Partnership for Children, Inc., and all local partnerships shall use competitive bidding practices in contracting for goods and services on ~~all~~ contract amounts ~~of one thousand five hundred dollars ($1,500) and above, and, where practicable, on contracts for amounts of less than one thousand five hundred dollars ($1,500).~~ as follows:

(1) For amounts of five thousand dollars ($5,000) or less, three verbal quotes;

(2) For amounts greater than five thousand dollars ($5,000) but less than fifteen thousand dollars ($15,000), three written quotes;

(3) For amounts of fifteen thousand dollars ($15,000) or more but less than forty thousand dollars ($40,000), a request for proposal process; and

(4) For amounts of forty thousand dollars ($40,000) or more, request for proposal process and advertising in a major newspaper.

(g) The role of the North Carolina Partnership for Children, Inc., shall continue to be expanded to incorporate all the aspects of the new role determined for the Partnership in the Smart Start Performance Audit recommendations and to provide technical assistance to local partnerships, assess outcome goals for children and families, ensure that statewide goals and legislative guidelines are being met, help establish policies and outcome measures, obtain non-State resources for early childhood and family services, and document and verify the cumulative contributions received by the partnerships.

(h) The North Carolina Partnership for Children, Inc., and all local partnerships shall, in the aggregate, be required to match no less than fifty percent (50%) of the total amount budgeted for the Program in each fiscal year of the biennium as follows: contributions of cash equal to at least ten percent (10%) and in-kind donated resources equal to no more than ten percent (10%) for a total match requirement of twenty percent (20%) for each fiscal year. Only in-kind contributions that are quantifiable, as determined in the Smart Start Performance Audit, shall be applied to the in-kind match requirement. Expenses, including both those paid by cash and in-kind contributions, incurred by other participating non-State entities contracting with the North Carolina Partnership for Children or the local partnerships, also may be considered resources available to meet the

required private match. In order to qualify to meet the required private match, the expenses shall:

(1) Be verifiable from the contractor's records;

(2) If in-kind, be quantifiable in accordance with generally accepted accounting principles for nonprofit organizations;

(3) Not include expenses funded by State funds;

(4) Be supplemental to and not supplant preexisting resources for related program activities;

(5) Be incurred as a direct result of the Early Childhood Initiatives Program and be necessary and reasonable for the proper and efficient accomplishment of the Program's objectives;

(6) Be otherwise allowable under federal or State law;

(7) Be required and described in the contractual agreements approved by the North Carolina Partnership for Children or the local partnership; and

(8) Be reported to the North Carolina Partnership for Children or the local partnership by the contractor in the same manner as reimbursable expenses.

The North Carolina Partnership shall establish uniform guidelines and reporting format for local partnerships to document the qualifying expenses occurring at the contractor level. Local partnerships shall monitor qualifying expenses to ensure they have occurred and meet the requirements prescribed in this subsection.

Failure to obtain a twenty percent (20%) match by May 1 of each fiscal year shall result in a dollar-for-dollar reduction in the appropriation for the Program for the next fiscal year. The North Carolina Partnership for Children, Inc., shall be responsible for compiling information on the private cash and in-kind contributions into a report that is submitted to the Joint Legislative Commission on Governmental Operations pursuant to G.S. 143B-168.13(5) in a format that allows verification by the Department of Revenue. The same match requirements shall apply to any expansion funds appropriated by the General Assembly.

(i) Counties participating in the Program may use the county's allocation of State and federal child care funds to subsidize child care according to the county's Early Childhood Education and Development Initiatives Plan as approved by the North Carolina Partnership for Children, Inc. The use of federal funds shall be consistent with the appropriate federal regulations. Child care providers shall, at a minimum, comply with the applicable requirements for State licensure or registration pursuant to Article 7 of Chapter 110 of the General Statutes, with other applicable requirements of State law or rule, including rules adopted for nonregistered child care by the Social Services Commission, and with applicable federal regulations.

(j) The Department of ~~Human Resources~~ Health and Human Services shall continue to implement the performance-based evaluation system.

(k) The Frank Porter Graham Child Development Center shall continue its evaluation of the Program. Notwithstanding any policy to the contrary, the Frank Porter Graham Child Development Center may use any method legally available to it to track children who are participating or who have participated in any Early Childhood Education and Development Initiative in order to carry out its ongoing evaluation of the Program.

~~(l) G.S. 143B-168.12(a) reads as rewritten:~~

~~"(a) In order to receive State funds, the following conditions shall be met:~~

~~(1) The North Carolina Partnership shall have a Board of Directors consisting of the following 38 members:~~

~~a. The Secretary of Health and Human Services, ex officio;~~
~~b. Repealed;~~
~~c. The Superintendent of Public Instruction, ex officio;~~
~~d. The President of the Department of Community Colleges, ex officio;~~
~~e. One resident from each of the 1st, 3rd, 5th, 7th, 9th, and 11th Congressional Districts, appointed by the President Pro Tempore of the Senate;~~
~~f. One resident from each of the 2nd, 4th, 6th, 8th, 10th, and 12th Congressional Districts, appointed by the Speaker of the House of Representatives;~~
~~g. Seventeen members, of whom four shall be members of the party other than the Governor's party, appointed by the Governor;~~
~~h. The President Pro Tempore of the Senate, or a designee;~~
~~i. The Speaker of the House of Representatives, or a designee;~~
~~j. The Majority Leader of the Senate, or a designee;~~
~~k. The Majority Leader of the House of Representatives, or a designee;~~
~~l. The Minority Leader of the Senate, or a designee; and~~
~~m. The Minority Leader of the House of Representatives, or a designee.~~

~~(2) The North Carolina Partnership shall agree to adopt procedures for its operations that are comparable to those of Article 33C of Chapter 143 of the General Statutes, the Open Meetings Law, and Chapter 132 of the General Statutes, the Public Records Law, and provide for enforcement by the Department.~~

~~(3) The North Carolina Partnership shall oversee the development and implementation of the local demonstration projects as they are selected.~~

~~(4) The North Carolina Partnership shall develop and implement a comprehensive standard fiscal accountability plan to ensure the fiscal integrity and accountability of State funds appropriated to it and to the local partnerships. The standard fiscal accountability plan shall, at a minimum, include a uniform, standardized system of accounting, internal controls, payroll, fidelity bonding, chart of accounts, and contract management and monitoring. The North Carolina Partnership may contract with outside firms to develop and implement the standard fiscal accountability plan. All local partnerships shall be required to participate in the standard fiscal accountability plan developed and adopted by the North Carolina Partnership pursuant to this subdivision.~~

~~(5) The North Carolina Partnership shall develop and implement a centralized accounting and contract management system which incorporates features of the required standard fiscal accountability plan described in subdivision (4) of subsection (a) of this section. The following local partnerships shall be required to participate in the centralized accountability system developed by the North Carolina Partnership pursuant to this subdivision:~~

~~a. Local partnerships which have significant deficiencies in their accounting systems, internal controls, and contract management systems, as determined by the North Carolina Partnership based~~

~~on the annual financial audits of the local partnerships conducted by the Office of the State Auditor; and~~

~~b. Local partnerships which are in the first two years of operation following their selection, except for those created by combination with existing local partnerships. At the end of this two-year period, local partnerships shall continue to participate in the centralized accounting and contract management system. With the approval of the North Carolina Partnership, local partnerships may perform accounting and contract management functions at the local level using the standardized and uniform accounting system, internal controls, and contract management systems developed by the North Carolina Partnership.~~

~~Local partnerships which otherwise would not be required to participate in the centralized accounting and contract management system pursuant to this subdivision may voluntarily choose to participate in the system. Participation or nonparticipation shall be for a minimum of two years, unless, in the event of nonparticipation, the North Carolina Partnership determines that any partnership's annual financial audit reveals serious deficiencies in accounting or contract management.~~

~~(6) The North Carolina Partnership shall develop a formula for allocating direct services funds appropriated for this purpose to local partnerships.~~

~~(7) The North Carolina Partnership may adjust its allocations on the basis of local partnerships' performance assessments. In determining whether to adjust its allocations to local partnerships, the North Carolina Partnership shall consider whether the local partnerships are meeting the outcome goals and objectives of the North Carolina Partnership and the goals and objectives set forth by the local partnerships in their approved annual program plans.~~

~~The North Carolina Partnership may use additional factors to determine whether to adjust the local partnerships' allocations. These additional factors shall be developed with input from the local partnerships and shall be communicated to the local partnerships when the additional factors are selected. These additional factors may include board involvement, family and community outreach, collaboration among public and private service agencies, and family involvement.~~

~~On the basis of performance assessments, local partnerships annually shall be rated `superior', `satisfactory', or `needs improvement'. Local partnerships rated `superior' may receive, to the extent that funds are available, a ten percent (10%) increase in their annual funding allocation. Local partnerships rated `satisfactory' may receive their annual funding allocation. Local partnerships rated `needs improvement'may receive ninety percent (90%) of their annual funding allocation.~~

~~The North Carolina Partnership may contract with outside firms to conduct the performance assessments of local partnerships.~~

~~(8) The North Carolina Partnership shall establish a local partnership advisory committee comprised of 15 members. Eight of the members shall be chairs of local partnerships' board of directors, and seven shall be staff of local partnerships. Members shall be chosen by the Chair of~~

~~the North Carolina Partnership from a pool of candidates nominated by their respective boards of directors. The local partnership advisory committee shall serve in an advisory capacity to the North Carolina Partnership and shall establish a schedule of regular meetings. Members shall serve two-year terms and shall not serve more than two consecutive terms. Members shall be chosen from local partnerships on a rotating basis. The advisory committee shall annually elect a chair from among its members.~~

~~(9) The North Carolina Partnership shall report (i) quarterly to the Joint Legislative Commission on Governmental Operations and (ii) to the General Assembly and the Governor on the ongoing progress of all the local partnerships' work, including all details of the use to which the allocations were put, and on the continuing plans of the North Carolina Partnership and of the Department, together with legislative proposals, including proposals to implement the program statewide."~~

~~(m) G.S. 143B-168.13(a) reads as rewritten:~~

~~"(a) The Department shall:~~

~~(1) Develop a statewide process, in cooperation with the North Carolina Partnership, to select the local demonstration projects. The first 12 local demonstration projects developed and implemented shall be located in the 12 congressional districts, one to a district. The locations of subsequent selections of local demonstration projects shall represent the various geographic areas of the State.~~

~~(2) Develop and conduct a statewide needs and resource assessment every third year, beginning in the 1997-98 fiscal year. This needs assessment shall be conducted in cooperation with the North Carolina Partnership and with the local partnerships. The Department may contract with an independent firm to conduct the needs assessment. The needs assessment shall be conducted in a way which enables the Department and the North Carolina Partnership to review, and revise as necessary, the total program cost estimate and methodology. The data and findings of this needs assessment shall form the basis for annual program plans developed by local partnerships and approved by the North Carolina Partnership. A report of the findings of the needs assessment shall be presented to the General Assembly prior to the beginning of the 1999 Session and every three years after that date.~~

~~(2a) Develop and maintain an automated, publicly accessible database of all regulated child care programs.~~

~~(3) Repealed.~~

~~(4) Adopt, in cooperation with the North Carolina Partnership, any rules necessary to implement this Part, including rules to ensure that State leave policy is not applied to the North Carolina Partnership and the local partnerships. In order to allow local partnerships to focus on the development of long-range plans in their initial year of funding, the Department may adopt rules that limit the categories of direct services for~~

young children and their families for which funds are made available during the initial year.

(5) Repealed by Session Laws 1996, Second Extra Session, c. 18, s. 24.29(c).

(6) Annually update its funding formula using the most recent data available. These amounts shall serve as the basis for determining `full funding' amounts for each local partnership."

(n) G.S. 143B-168.15 reads as rewritten:

"**§ 143B-168.15. Use of State funds.**

(a) State funds allocated to local projects for services to children and families shall be used to meet assessed needs, expand coverage, and improve the quality of these services. The local plan shall address the assessed needs of all children to the extent feasible. It is the intent of the General Assembly that the needs of both young children below poverty who remain in the home, as well as the needs of young children below poverty who require services beyond those offered in child care settings, be addressed. Therefore, as local partnerships address the assessed needs of all children, they should devote an appropriate amount of their State allocations, considering these needs and other available resources, to meet the needs of children below poverty and their families.

(b) Depending on local, regional, or statewide needs, funds may be used to support activities and services that shall be made available and accessible to providers, children, and families on a voluntary basis. Of the total funds allocated to partnerships for direct services, seventy percent (70%) shall be used in child care-related activities and programs which improve access to child care services, develop new child care services, or improve the quality of child care services in all settings.

(c) Long-term plans for local projects that do not receive their full allocation in the first year, other than those selected in 1993, should consider how to meet the assessed needs of low-income children and families within their neighborhoods or communities. These plans also should reflect a process to meet these needs as additional allocations and other resources are received.

(d) State funds designated for start-up and related activities may be used for capital expenses or to support activities and services for children, families, and providers. State funds designated to support direct services for children, families, and providers shall not be used for major capital expenses unless the North Carolina Partnership approves this use of State funds based upon a finding that a local partnership has demonstrated that (i) this use is a clear priority need for the local plan, (ii) it is necessary to enable the local partnership to provide services and activities to underserved children and families, and (iii) the local partnership will not otherwise be able to meet this priority need by using State or federal funds available to that local partnership. The funds approved for capital projects in any two consecutive fiscal years may not exceed ten percent (10%) of the total funds for direct services allocated to a local partnership in those two consecutive fiscal years.

(e) State funds allocated to local partnerships shall not supplant current expenditures by counties on behalf of young children and their families, and maintenance of current efforts on behalf of these children and families shall be sustained. State funds shall not be applied without the Secretary's approval where State or federal funding sources, such as Head Start, are available or could be made available to that county.

(f) Local partnerships may carry over funds from one fiscal year to the next, subject to the following conditions:

~~(1) Local partnerships in their first year of receiving direct services funding may, on a one-time basis only, carry over any unspent funds to the subsequent fiscal year.~~

~~(2) Any local partnership may carry over any unspent funds to the subsequent fiscal year, subject to the limitation that funds carried over may not exceed the increase in funding the local partnership received during the current fiscal year over the prior fiscal year.~~

~~(g) Not less than thirty percent (30%) of each local partnership's direct services allocation shall be used to expand child care subsidies. To the extent practicable, these funds shall be used to enhance the affordability, availability, and quality of child care services as described in this section. The North Carolina Partnership may increase this percentage requirement up to a maximum of fifty percent (50%) when, based upon the local waiting list for subsidized child care or the total percentage of children served whose families are income eligible for subsidized child care, the North Carolina Partnership determines a higher percentage is justified."~~

(o) The North Carolina Partnership shall not apply the subsidy requirement in G.S. 143B-168.15(g) to the 45 counties eligible to receive planning funds in 1997-98.

(p) There is allocated from the funds appropriated to the Department of ~~Human Resources,~~ Health and Human Services, Division of Child Development, in this act, the sum of twenty-two million two hundred fifty-eight thousand six hundred twenty-five dollars ($22,258,625) for the 1997-98 fiscal year and the sum of twenty-five million two hundred ninety-eight thousand eight hundred thirty-eight dollars ($25,298,838) for the 1998-99 fiscal year to be used as follows:

(1) Of the 35 partnerships existing as of the 1996-97 fiscal year, funds for direct services shall be increased a total of $15,215,912 for the 1997-98 fiscal year and $15,215,912 for the 1998-99 fiscal year. The North Carolina Partnership for Children, Inc., may use up to $1,500,000 of these funds in the 1997-98 fiscal year as planning funds for the remaining 45 unfunded counties.

(2) For the 12 new partnerships planned for as of the 1996-97 fiscal year, funds shall be $5,252,713 for the 1997-98 fiscal year and $9,142,926 for the 1998-99 fiscal year to administer and deliver direct services.

(3) The North Carolina Partnership for Children, Inc., shall receive an additional $700,000 in the 1997-98 fiscal year and an additional $700,000 in the 1998-99 fiscal year for the State-level administration of the Program.

(4) The Department of ~~Human Resources~~ Health and Human Services shall receive $750,000 in nonrecurring funds in the 1997-98 fiscal year to conduct a statewide needs and resources assessment.

(5) The Department of ~~Human Resources~~ Health and Human Services shall receive $100,000 in nonrecurring funds in the 1997-98 fiscal year to complete the automation of a database of all regulated child care programs.

(6) The Department of ~~Human Resources~~ Health and Human Services shall receive $240,000 in the 1997-98 fiscal year and $240,000 in the 1998-99 fiscal year for professional development programs.

(p1) Effective October 1, 1998, in addition to the funds allocated for Early Childhood Education and Development Initiatives in subsection (p) of this section, of the funds appropriated to the Department of Health and Human Services, Division of Child Development, for fiscal year 1998-99, for Early Childhood Education and Development

Initiatives, the sum of forty-two million five hundred thousand dollars ($42,500,000) shall be used to administer and deliver direct services in all 100 counties. Of this amount, the North Carolina Partnership for Children, Inc., may use up to two million dollars ($2,000,000) for State level administration of the program.

(q) Of the funds appropriated to the Department of ~~Human Resources~~ Health and Human Services for the Program for the 1997-99 biennium, the Frank Porter Graham Child Development Center shall receive the sum of eight hundred fifty thousand dollars ($850,000) for the 1997-98 fiscal year and the sum of eight hundred fifty thousand dollars ($850,000) for the 1998-99 fiscal year."

(c) As a condition of receiving State funds, the North Carolina Partnership for Children, Inc., must amend its Articles of Incorporation or bylaws, as appropriate, to terminate the terms of all existing members of the Board of Directors of the North Carolina Partnership for Children, Inc., no later than 60 days after this act becomes law, so new members may be appointed under G.S. 143B-16.12(a) as rewritten by this section. This action may be taken under Article 10 of Chapter 55A of the General Statutes notwithstanding any provision of Article 8 of Chapter 55A of the General Statutes. Effective when this act becomes law, no member of the North Carolina General Assembly may serve on the Board of Directors of the North Carolina Partnership for Children, Inc., or on the board of directors of a local partnership, and in calculating any quorum requirements those seats shall be excluded.

(d) The General Assembly finds that two important, recent studies of the Early Childhood Education and Development Initiatives Program have stressed the potential benefits of regionalization.

The North Carolina Partnership shall review the findings and recommendations of the Coopers and Lybrand Smart Start Program Performance Audit Final Report, dated April 1996, and the McGladrey and Pullen Study of Administrative Structure, dated June 24, 1998.

The North Carolina Partnership shall develop a regionalization plan and report this regionalization plan to the Senate Appropriations Committee on Human Resources, the House of Representatives Appropriations Subcommittee on Human Resources, and the Fiscal Research Division by April 15, 1999.

(e) G.S. 120-123 is amended by adding a new subdivision to read:

"(69) The North Carolina Partnership for Children, Inc., established pursuant to Part 10B of Article 3 of Chapter 143B of the General Statutes, and all local partnerships established pursuant to this Part."

(f) G.S. 143B-168.12(c), as written in subsection (a) of this section, applies to contracts entered into on and after the date this act becomes law. This section is effective when this act becomes law.

Requested by: Senators Martin of Guilford, Plyler, Perdue, Odom, Cooper, Dannelly, Phillips, Purcell, Representatives Gardner, Cansler, Clary, Howard

TEACH PROGRAM

Section 12.38. Of the funds appropriated in this act to the Department of Health and Human Services for the Teacher Education and Compensation Helps (TEACH) Program, the sum of one hundred thousand dollars ($100,000) for the 1998-99 fiscal year shall be used to establish a capital fund for TEACH, provided that these funds are matched by expenditures of private funds at a ratio of two private dollars for every one dollar expended from these funds, and provided further that expenses related to office space are not included in the costs charged to the State for the administration of the Program.

SUBPART 8. YOUTH SERVICES

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

DYS TRAINING SCHOOLS EVALUATION

Section 12.39. (a) Of the funds appropriated in this act to the Department of Health and Human Services, the sum of four hundred seventy-five thousand dollars ($475,000) shall be used to ensure that multidisciplinary diagnoses and evaluations, as provided for in G.S. 115C-113, are made on all students in training schools operated by the Division of Youth Services and that the requisite resources and services are provided for all DYS training school students who are identified as children with special needs. The Department shall use these funds to provide evaluations, resources, and services, but shall not reduce current DYS services. Lapsed salary funds shall not be used to create new permanent positions.

(b) Within 30 days of adjournment sine die of the 1997 General Assembly, the Department shall report to the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources and the Fiscal Research Division the line items in the Department's budget from which funds allocated under this section will be taken.

SUBPART 9. HEALTH SERVICES

Requested by: Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell, Representatives Gardner, Cansler, Clary, Howard

NC HEALTHY START FOUNDATION/REPORTING

Section 12.40. Section 15.29 of S.L. 1997-443 reads as rewritten:

"Section 15.29. The North Carolina Healthy Start Foundation shall:

(1) By ~~January~~ April 15, ~~1998,~~ 1999, and more frequently as requested, report to the ~~Joint Legislative Commission on Governmental Operations~~ Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources and the Fiscal Research Division the following information:

a. State fiscal year ~~1996-97~~ 1997-98 program activities, objectives, and accomplishments;

b. State fiscal year ~~1996-97~~ 1997-98 itemized expenditures and fund sources;

c. State fiscal year ~~1997-98~~ 1998-99 planned activities, objectives, and accomplishments including actual results through ~~December~~ March 31, ~~1997;~~ 1999; and

d. State fiscal year ~~1997-98~~ 1998-99 estimated itemized expenditures and fund sources including actual expenditures and fund sources through ~~December~~ March 31, ~~1997.~~ 1999.

(2) Provide to the Fiscal Research Division a copy of the Foundation's annual audited financial statement within 30 days of issuance of the statement."

Requested by: Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell, Representatives Gardner, Cansler, Clary, Howard

PREVENT BLINDNESS, INC./REPORTING

Section 12.41. Section 15.33 of S.L. 1997-443 reads as rewritten:

"Section 15.33. Prevent Blindness, Inc., shall:

(1) By ~~January~~ April 15, ~~1998,~~ 1999, and more frequently as requested, report to the ~~Joint Legislative Commission on Governmental Operations~~ Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources and the Fiscal Research Division the following information:

a. State fiscal year ~~1996-97~~ 1997-98 program activities, objectives, and accomplishments;

b. State fiscal year ~~1996-97~~ 1997-98 itemized expenditures and fund sources;

c. State fiscal year ~~1997-98~~ 1998-99 planned activities, objectives, and accomplishments including actual results through ~~December~~ March 31, ~~1997,~~ 1999; and

d. State fiscal year ~~1997-98~~ 1998-99 estimated itemized expenditures and fund sources including actual expenditures and fund sources through ~~December~~ March 31, ~~1997.~~ 1999.

(2) Provide to the Fiscal Research Division a copy of the Prevent Blindness, Inc., annual audited financial statement within 30 days of issuance of the statement."

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

WIC PROGRAM FUNDS

Section 12.42. Section 15.27 of S.L. 1997-443 reads as rewritten:

"Section 15.27. Of the funds appropriated to the Department of ~~Environment, Health, and Natural Resources~~ Health and Human Services for the Women, Infants, and Children (WIC) Program, the sum of one million two hundred eighty thousand dollars ($1,280,000) for the 1997-98 fiscal year and the sum of one million two hundred eighty thousand dollars ($1,280,000) for the 1998-99 fiscal year shall, if sufficient federal food funds are available, be used for the WIC Program as follows:

(1) Not more than $500,000 in each fiscal year shall be used to establish new WIC Programs in Head Start or other private or public nonprofit agencies to serve additional mothers, infants, and children. The Department shall utilize these funds for local program operations including staff to provide eligibility determination, nutrition education, and health care referrals. In selecting the new WIC Programs, the Department shall consider accessibility to the target population including location and hours of operation.

(2) Not more than $250,000 in each fiscal year shall be used to renovate facilities of existing programs where space constraints limit program expansion, and to fund rental costs in areas where accessible donated space is not available. In selecting the facilities the Department shall consider accessibility to the target population including location and extended hours of operation. In determining whether to fund rental of space, the Department shall ensure that options for using donated accessible space have been considered. Not more than $75,000 of funds allocated under this subdivision for each fiscal year shall be used for rental of space.

(3) Not more than $300,000 in each fiscal year shall be used to purchase physician-prescribed special formulas and nutritional supplements for infants, children, and women.

(4) Not more than ~~$60,000~~ $180,000 in ~~each~~ the 1998-99 fiscal year shall be used to provide the required State match to the WIC farmers' market project.

(5) Not more than ~~$170,000~~ $50,000 in ~~each~~ the 1998-99 fiscal year shall be used for the purpose of establishing and maintaining a Public Health Nutritionist Internship Program.

If sufficient federal food funds are not available then funds appropriated for the WIC Program under this section shall be used to supplement federal food funds and any balance in funds remaining after the supplemental use shall be used in accordance with subdivisions (1) through (5) of this section."

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

HEALTHY MOTHERS/HEALTHY CHILDREN PILOT PROGRAM

Section 12.43. (a) The Department of Health and Human Services may initiate a Healthy Mothers/Healthy Children Grant Program in up to six local health departments. The Department may consolidate federal Maternal and Child Health Block Grant funds and State funds appropriated for the Maternal Health, Women's Preventive Health, Child Health, Child Service Coordination and Immunization programs into a Healthy Mothers/Healthy Children Grant Program for each participating local health department. Local health departments participating in the Healthy Mothers/Healthy Children Grant Program may use grant funds to do any of the following:

(1) Improve the health status of women of childbearing age by expanding preventive health services and reducing and/or controlling health risk factors.

(2) Reduce infant mortality and morbidity by preventing high-risk pregnancies, improving the health status of women before pregnancy, improving access to prenatal care, reducing prematurity, and improving survival rates of preterm and other high-risk infants.

(3) Reduce mortality and morbidity among children and youth by reducing the incidence of communicable disease and other preventable conditions, the occurrence and severity of injuries, the incidence of genetic disorders, and the incidence of chronic illnesses and developmental disabilities.

(4) Enhance the health and functional status of children and youth with chronic handicapping conditions by reducing the severity of the conditions through the provision of early identification, diagnosis, treatment, and care coordination services.

(b) The Department shall not include federal categorical funds, competitive special project funds, and funds for regionalized services in grant funds awarded to local health departments under the Healthy Mothers/Healthy Children Grant Program.

(c) The Department shall require participating local health departments to identify and report expenditures by program in order to monitor and track the use of Healthy Mothers/Healthy Children Grant Program funds to meet federal and State reporting requirements. In addition, the Department shall require local health departments to report on the administrative, programmatic, and health outcome benefits which are realized by providing localities greater flexibility.

(d) The Department shall report to members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources on the implementation of the Healthy Mothers/Healthy Children Grant Program not later than April 1, 1999.

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

CHILD FATALITY TASK FORCE

Section 12.44. (a) Subsections (b), (c), and (d) of Section 285 of Chapter 321 of the 1993 Session Laws are repealed.

(b) G.S. 143-573(c) reads as rewritten:

"(c) All members of the Task Force are voting members. Vacancies in the appointed membership shall be filled by the appointing officer who made the initial appointment. ~~The Speaker of the House of Representatives shall call the first meeting no later than October 1, 1991. At the first meeting the members shall elect a chair who shall preside for the duration of the Task Force.~~ Terms shall be two years. The members shall elect a chair who shall preside for the duration of the chair's term as member. In the event a vacancy occurs in the chair before the expiration of the chair's term, the members shall elect an acting chair to serve for the remainder of the unexpired term."

(c) G.S. 143-574 reads as rewritten:

"§ 143-574. Task Force -- duties.

The Task Force shall:

(1) Undertake a statistical study of the incidence and causes of child deaths in this State ~~during 1988 and 1989,~~ and establish a profile of child deaths. The study shall include (i) an analysis of all community and private and public agency involvement with the decedents and their families prior to death, and (ii) an analysis of child deaths by age, cause, and geographic distribution;

(2) Develop a system for multidisciplinary review of child deaths. In developing such a system, the Task Force shall study the operation of existing local teams. The Task Force shall also consider the feasibility and desirability of local or regional review teams and, should it determine such teams to be feasible and desirable, develop guidelines for the operation of the teams. The Task Force shall also examine the laws, rules, and policies relating to confidentiality of and access to information that affect those agencies with responsibilities for children, including State and local health, mental health, social services, education, and law enforcement agencies, to determine whether those laws, rules, and policies inappropriately impede the exchange of information necessary to protect children from preventable deaths, and, if so, recommend changes to them;

(3) Receive and consider reports from the State Team; and

(4) Perform any other studies, evaluations, or determinations the Task Force considers necessary to carry out its mandate."

(d) G.S. 143-577 reads as rewritten:

"§ 143-577. Task Force -- reports.

~~(a)~~ The Task Force shall ~~provide a preliminary~~ report annually to the Governor and General Assembly, within the first week of the convening or reconvening of the ~~1992 Session of the 1991~~ General Assembly. ~~This preliminary~~ The report shall contain at least a summary of ~~preliminary~~ the conclusions and recommendations for each of the Task Force's duties, as well as any other recommendations for changes to any law, rule, and policy that it has determined will promote the safety and well-being of children. Any recommendations of changes to law, rule, or policy shall be accompanied by specific legislative or policy proposals and detailed fiscal notes setting forth the costs to the State.

~~(b) The Task Force shall make a written report to the Governor and General Assembly within the first week of the convening of the 1997 General Assembly. The Task Force~~

~~may make a written report to the Governor and General Assembly within one week of the convening of the 1998 Regular Session of the 1997 General Assembly. The Task Force shall make a final written report to the Governor and General Assembly within the first week of the convening of the 1999 General Assembly. The final report shall include final conclusions and recommendations for each of the Task Force's duties, as well as any other recommendations for changes to any law, rule, and policy that it has determined will promote the safety and well-being of children. Any recommendations of changes to law, rule, or policy shall be accompanied by specific legislative or policy proposals and detailed fiscal notes setting forth the costs to the State.~~

~~(c) After the Task Force provides its final report to the Governor and General Assembly, the Task Force shall cease to be in existence."~~

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

MATERNAL OUTREACH

Section 12.45. (a) The Department of Health and Human Services shall ensure that local communities who receive State funds for intensive home visiting programs, including the Olds and Healthy Families America models, collect and report data to the Department which will allow a valid and reliable evaluation of the long-term effectiveness of this intervention in improving maternal and child outcomes. The Department shall design a standard reporting system for local programs to use in supplying this data. At a minimum, the data should provide information on the effect of prenatal and infancy home visits by nurses on all of the following:

(1) Preterm delivery, low-birth weight, and infant morbidity/mortality.
(2) Childhood injuries.
(3) Childhood maltreatment.
(4) Immunizations.
(5) Mental development and behavioral problems.

The data shall also provide information on maternal life course, as measured by:

(6) Subsequent pregnancy.
(7) Educational achievement.
(8) Labor force participation.
(9) Use of public assistance programs.

(b) The Department shall report on its plans for developing and implementing a scientifically sound methodology for evaluating these programs by February 1, 1999, to the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources and to the Fiscal Research Division.

Requested by: Representatives Gardner, Cansler, Clary, Howard, Senators Martin of Guilford, Kinnaird, Cooper, Dannelly, Phillips, Purcell

AIDS DRUG ASSISTANCE PROGRAM (ADAP)

Section 12.46A. (a) The Department of Health and Human Services shall develop and implement a cost-containment plan for the purpose of serving additional clients of the HIV Medications Program. In developing the Plan, the Department shall do the following:

(1) Explore the feasibility of obtaining a Medicaid expansion waiver;
(2) Estimate the potential cost savings to the State of participating in the 340B Drug Pricing Program by studying various ways of adhering to program requirements while also realizing cost savings;

(3) Examine, for possible adoption, ADAP and other similar program cost-saving strategies in other states, including, but not limited to, restrictive formularies, prescription limitations, insurance continuity, and insurance purchasing programs, and biannual or quarterly reauthorizations; and

(4) Conduct other activities that will assist in the development of a viable plan.

(b) The Department shall implement cost-containment programs or mechanisms, other than pharmaceutical rebates, by January 1, 1999, and shall report to the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources not later than March 15, 1999, on the following:

(1) The realized and projected savings;

(2) Findings from subdivisions (1), (2), and (3) of subsection (a) of this section; and

(3) Recommendations for legislative action.

(c) Savings realized through cost-containment measures shall be used to serve additional ADAP participants in fiscal year 1998-99. Funds not expended for authorized program costs shall revert to the General Fund.

(d) The Department shall also develop a comprehensive information system on AIDS/HIV clients receiving services from the State. This system shall include information on program usage patterns of ADAP participants, including, but not limited to, frequency of prescription purchases, and types of medications prescribed. The Department shall also develop a plan for monitoring patient compliance with physician treatment recommendations. In developing the plan, the Department shall identify ways of obtaining information without interfering with physician-patient confidentiality. The Department shall report on this plan to the members of the House of Representatives Appropriations Subcommittee on Human Resources and the Senate Appropriations Committee on Human Resources not later than March 15, 1999.

Requested by: Senators Odom, Martin of Guilford, Cooper, Dannelly, Phillips, Purcell, Representatives Gardner, Cansler, Clary, Howard

CANCER CONTROL ADVISORY COMMITTEE/ADDITIONAL MEMBERS

Section 12.48. (a) Effective December 1, 1998, G.S. 130A-33.50 reads as rewritten:

"§ 130A-33.50. Advisory Committee on Cancer Coordination and Control established; membership, compensation.

(a) The Advisory Committee on Cancer Coordination and Control is established in the Department.

(b) The Committee shall have ~~24~~ up to 34 members, including the Secretary of the Department or the Secretary's designee. The members of the Committee shall elect a chair and vice-chair from among the Committee membership. The Committee shall meet at the call of the chair. Six of the members shall be legislators, three of whom shall be appointed by the Speaker of the House of Representatives, and three of whom shall be appointed by the President Pro Tempore of the Senate. ~~Two~~ Four of the members shall be cancer survivors, ~~one~~ two of whom shall be appointed by the Speaker of the House of Representatives, and ~~one~~ two of whom shall be appointed by the President Pro Tempore of the Senate. The remainder of the members shall be appointed by the Governor as follows:

(1) One member from the Department of Environment and Natural Resources;
(2) Three members, one from each of the following: the Department, the Department of Public Instruction, and the North Carolina Community College System;
(3) Four members representing the cancer control programs at North Carolina medical schools, one from each of the following: the University of North Carolina at Chapel Hill School of Medicine, the Bowman Gray School of Medicine, the Duke University School of Medicine, and the East Carolina University School of Medicine;
(4) One member who is an oncology nurse representing the North Carolina Nurses Association;
(5) One member representing the Cancer Committee of the North Carolina Medical Society;
(6) One member representing the Old North State Medical Society;
(7) One member representing the American Cancer Society, North Carolina Division, Inc.;
(8) One member representing the North Carolina Hospital Association;
(9) One member representing the North Carolina Association of Local Health Directors;
(10) One member who is a primary care physician licensed to practice medicine in North ~~Carolina.~~ Carolina;
(11) One member representing the American College of Surgeons;
(12) One member representing the North Carolina Oncology Society;
(13) One member representing the Association of North Carolina Cancer Registrars;
(14) One member representing the Medical Directors of the North Carolina Association of Health Plans; and
(15) Up to four additional members at large.

Except for the Secretary, the members shall be appointed for staggered four-year terms and until their successors are appointed and qualify. ~~However, the following appointees shall serve initial two-year terms: two of the legislators appointed by the Speaker of the House of Representatives; one of the legislators appointed by the President Pro Tempore of the Senate; the cancer survivor appointed by the President Pro Tempore of the Senate; and the members representing the Department, the Department of Public Instruction, the University of North Carolina at Chapel Hill School of Medicine, the Bowman Gray School of Medicine, the Cancer Committee of the North Carolina Medical Society, the Old North State Medical Society, the North Carolina Hospital Association, and the North Carolina Association of Local Health Directors.~~ The Governor may remove any member of the Committee from office in accordance with the provisions of G.S. 143B-13. Members may succeed themselves for one term and may be appointed again after being off the Committee for one term.

(c) The Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the Governor shall make their appointments to the Committee not later than 30 days after the adjournment of the 1993 Regular Session of the General Assembly. A vacancy on the Committee shall be filled by the original appointing authority, using the criteria set out in this section for the original appointment.

(d) To the extent that funds are made available, members of the Committee shall receive per diem and necessary travel and subsistence expenses in accordance with G.S. 138-5.

(e) A majority of the Committee shall constitute a quorum for the transaction of its business.

(f) The Committee may use funds allocated to it to employ an administrative staff person to assist the Committee in carrying out its duties. The Secretary shall provide clerical and other support staff services needed by the Committee."

(b) The following members appointed to the Committee under subsection (a) of this section shall serve initial two-year terms: the member representing the American College of Surgeons; the member representing the Medical Directors of the North Carolina Association of Health Plans; the additional cancer survivor appointed by the Speaker of the House of Representatives; and two of the four additional members at large.

Requested by: Senators Warren, Martin of Guilford, Plyler, Perdue, Odom, Cooper, Dannelly, Phillips, Purcell, Representatives Gardner, Cansler, Clary, Howard

HEART DISEASE/STROKE PREVENTION FUNDS

Section 12.49. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Community Health, the sum of three hundred thousand dollars ($300,000) for the 1998-99 fiscal year shall be used for one or more of the following purposes:

(1) To establish the Be Active North Carolina (BANC) Initiative in the Governor's Council on Physical Fitness and Health as recommended by the Heart Disease and Stroke Prevention Task Force and proposed in Senate Bill 1309, first edition, 1997 General Assembly, Regular Session 1998.

(2) To establish a Cardiovascular Health Data Unit (CVD) in the Department of Health and Human Services as recommended by the Heart Disease and Stroke Prevention Task Force and proposed in Senate Bill 1310, first edition, 1997 General Assembly, Regular Session 1998.

(3) To establish and implement the North Carolina Strike Out Stroke Project as recommended by the Heart Disease and Stroke Prevention Task Force and proposed in Senate Bill 1308, first edition, 1997 General Assembly, Regular Session 1998.

Requested by: Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell, Perdue, Rand, Representatives Gardner, Cansler, Clary, Howard, Daughtry, Holmes, Esposito

HIV/STD PREVENTION SERVICES/EVALUATION AND ACCOUNTABILITY OF GRANTEES

Section 12.51. (a) The Department of Health and Human Services, Division of Epidemiology, shall continue the practice of contracting with community-based organizations, local health departments, and other entities to provide services to high-risk individuals. Contracts shall require quarterly reports to the Department on the entity's use of funds, number of clients served under the contract, details on program expenditures, and any other information needed by the Department to enable it to evaluate the efficiency and effectiveness of the entity's use of funds and provision of services. Effective January 1, 1999, entities under contract with the Department shall provide to the Department, at least annually, a copy of the entity's financial statement and most recent audit report.

(a1) If the entity with which the Department of Health and Human Services contracts in accordance with subsection (a) of this section is a nonprofit organization, then the entity shall also provide the same quarterly report to the appropriate local health department.

(b) The Department of Health and Human Services shall adopt standards for the annual evaluation and certification of entities with which the Department contracts under this section. The evaluation and certification standards shall provide sanctions, including discontinuing of funding, for an entity's failure to comply with DHHS standards and State law. The Department shall adopt the standards not later than April 1, 1999, and the standards shall apply to contracts entered into on and after January 1, 2000.

(c) The Department of Health and Human Services shall report to the House Appropriations Subcommittee on Human Resources and the Senate Appropriations Committee on Human Resources no later than May 1, 1999, on the standards adopted, on entities currently under contract with DHHS, and on those entities' experience in providing effective and efficient services under contract with the Department.

(d) Effective January 1, 2000, the Department of Health and Human Services shall not allocate HIV Prevention Funds to any entity unless the entity has met the certification standards adopted by the Department.

Requested by: Representatives Gardner, Cansler, Clary, Howard, Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell

IMPROVE IMMUNIZATION PROGRAM ACCOUNTABILITY

Section 12.52. (a) The Department of Health and Human Services, Division of Women's and Children's Health, shall develop and implement strategies to improve accountability in the Immunization Program. The Division shall examine and report on the following options for improving Program accountability:

(1) Enhancing the current doses administered reporting system;
(2) Converting to a vaccine replacement system;
(3) Collecting child-specific immunization and Program eligibility information;
(4) Expediting implementation of the North Carolina Immunization Registry;
(5) Conducting site visits to twenty percent (20%) of private providers annually;
(6) Sanctioning providers who fail to comply with Program requirements;
(7) Identifying means to verify and reduce wastage;
(8) Other options that will improve Program accountability.

The Department shall submit its report to the members of the House of Representatives Appropriations Subcommittee on Human Resources and the Senate Appropriations Committee on Human Resources not later than April 1, 1999. This report shall include the Division's recommendations for improving Program accountability and shall identify the resources required to implement these recommendations and to meet State and federal program reporting requirements.

(b) The Department of Health and Human Services shall study the feasibility of changing the vaccine distribution system such that private providers obtain vaccines from the local health department. The study shall include the method that would be used to enable local health departments to obtain sufficient quantities of vaccine, and cost-savings that could be realized in changing from a centralized vaccine distributions system to a decentralized system. The Department shall report its findings and recommendations to the members of the House of Representatives Appropriations Subcommittee on Human Resources and the Senate Appropriations Committee on Human Resources not later than April 1, 1999.

(c) So that greater compliance and accountability by immunization program providers may be achieved as quickly as possible, the Commission for Health Services

may adopt temporary rules to impose upon immunization program providers reasonable reporting requirements with respect to immunization activities and appropriate sanctions for failure to comply. The Division of Women's and Children's Health shall include in its report required under subsection (a) of this section requirements imposed under the temporary rules and information on provider compliance.

(d) Effective March 1, 1999, the Division shall require as part of agreements with immunization program providers that the provider pay the cost of vaccine provided to replace vaccine provided under the program that has been wasted by the provider due to the provider's failure to properly store, handle, or rotate vaccine inventory. The Division shall develop and make available to program providers guidelines and technical assistance for the proper storage, handling, and rotation of vaccine inventory. Not later than January 1, 1999, the Division shall notify all immunization program providers that providers shall be required to pay the cost of vaccine provided to replace vaccine wasted due to provider negligence in the storage, handling, or rotation of inventory. Funds received from providers shall be retained by the Division and used to provide technical assistance to providers and to enhance overall program efficiency.

PART XIII. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

Requested by: Senators Weinstein, Albertson, Phillips, Purcell, Dalton

FARMLAND PRESERVATION PILOT PROGRAM

Section 13. The two hundred fifty thousand dollars ($250,000) appropriated in this act to the North Carolina Farmland Preservation Trust Fund, established in G.S. 106-744 and administered by the Commissioner of Agriculture and Consumer Services, for the 1998-99 fiscal year shall be used for a farmland preservation pilot program, whereby these funds shall be used to purchase agricultural conservation easements pursuant to The Farmland Preservation Enabling Act, Article 61 of Chapter 106 of the General Statutes. These funds may also be used for the reasonable costs of administering this pilot program. No later than March 15, 1999, the Department of Agriculture and Consumer Services shall report the results of this pilot program to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division. This report shall include an itemized list of agricultural conservation easements purchased under the pilot program, the location of the farmland subject to the easement, and the acreage protected by the easement.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

DUPLIN FAIR AND EXHIBITION CENTER FUNDS

Section 13.1. The one million dollars ($1,000,000) appropriated to the Department of Agriculture and Consumer Services for the 1997-98 fiscal year in S.L. 1997-443 for a Fair and Exhibition Center in Duplin County may be used for an agricultural center that includes fairgrounds, livestock exhibition facilities, multipurpose meeting facilities, and offices for allied federal and local agencies and may be used for professional services related to designing, financing, and procuring these facilities.

Requested by: Senators Martin of Pitt, Weinstein, Representatives Mitchell, Baker, Carpenter

SPECIAL RESERVE FUNDS FOR CERTAIN AGRICULTURAL CENTERS

Section 13.2. Article 1 of Chapter 106 of the General Statutes is amended by adding a new section to read:

"**§ 106-6.2. Create special revenue funds for certain agricultural centers.**

(a) The Eastern North Carolina Agricultural Center Fund is created within the Department of Agriculture and Consumer Services as a special revenue fund. This Fund shall consist of receipts from the sale of naming rights to any facility located at the Eastern North Carolina Agricultural Center at Williamston, investments earnings on these moneys, and any gifts, bequests, or grants from any source for the benefit of the Eastern North Carolina Agricultural Center. All interest that accrues to this Fund shall be credited to this Fund. Any balance remaining in this Fund at the end of any fiscal year shall not revert. The Department may use this Fund only to promote, improve, repair, maintain, or operate the Eastern North Carolina Agricultural Center.

(b) The Southeastern North Carolina Agricultural Center Fund is created within the Department of Agriculture and Consumer Services as a special revenue fund. This Fund shall consist of receipts from the sale of naming rights to any facility located at the Southeastern North Carolina Agricultural Center at Lumberton, investments earnings on these moneys, and any gifts, bequests, or grants from any source for the benefit of the Southeastern North Carolina Agricultural Center. All interest that accrues to this Fund shall be credited to this Fund. Any balance remaining in this Fund at the end of any fiscal year shall not revert. The Department may use this Fund only to promote, improve, repair, maintain, or operate the Southeastern North Carolina Agricultural Center."

Requested by: Senator Martin of Pitt, Representatives Mitchell, Baker, Carpenter

UMSTEAD ACT EXEMPTION FOR DEPARTMENT AGRICULTURAL CENTERS AND LIVESTOCK FACILITIES

Section 13.3. G.S. 66-58(b) is amended by inserting the following subdivision:

"(13d) Agricultural centers or livestock facilities operated by the Department of Agriculture and Consumer Services."

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter, Hall

GUIDELINES FOR GRANTS FOR LOCAL AGRICULTURAL FAIRS

Section 13.4. The Department of Agriculture and Consumer Services shall adopt guidelines for the disbursement of funds appropriated to the Department for the 1998-99 fiscal year for grants for local agricultural fairs.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

ANIMAL WASTE MANAGEMENT EQUIPMENT GRANTS FOR FAMILY-OWNED DAIRIES

Section 13.5. (a) The funds appropriated in this act to the Department of Agriculture and Consumer Services for the 1998-99 fiscal year for animal waste management equipment grants to farmers of family-owned dairies shall be used for the purchase of equipment that is a component of an animal waste management system and that is used solely for the purpose of transporting, storing, or distributing animal waste. This equipment shall be limited to: pumps, spraying equipment, scrape blades, box blades, storage equipment, and any transport equipment, including tanks, spreaders, and applicators.

(b) No funds allocated under this section shall be used to enlarge anaerobic lagoons or for the maintenance of anaerobic lagoons.

(c) The Department of Agriculture and Consumer Services shall adopt rules that establish guidelines for disbursing the funds in a fair and equitable manner and any other rules needed to implement this section. Each recipient of grant funds under this section shall enter into a contract with the Department that contains provisions of the loan that are consistent with these guidelines. This contract shall provide for the enforcement of the terms of the contract. This contract shall provide that the recipient continue to operate at the current level of dairy production for a period of at least five years. This contract shall provide that if the recipient reduces the number of dairy cows or ceases operation in fewer than five years, the recipient shall repay the Department of Agriculture and Consumer Services a prorated share of the grant funds received by that recipient.

(d) Only dairies with fewer than 300 dairy cows that were in operation prior to January 1, 1998, are eligible for grants under this section.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

ASSISTANCE FOR SMALL, FAMILY FARMS

Section 13.6. Of the funds appropriated in this act to the Department of Agriculture and Consumer Services for the 1998-99 fiscal year, the sum of fifty thousand dollars ($50,000) shall be used to provide assistance to farmers who operate small, family farms. By March 1, 1999, the Department shall report to the Joint Legislative Commission on Governmental Operations, the Appropriations Subcommittees on Natural and Economic Resources in both the House of Representatives and the Senate, and the Fiscal Research Division on the use of these funds, including the number and geographic location of the small, family farms assisted through this allocation of funds, the type of assistance provided, and any other information or indicators that demonstrate the overall impact of this allocation of funds.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

GRANTS FOR LOCAL FARMERS' MARKETS

Section 13.7. For the funds appropriated in this act to the Department of Agriculture and Consumer Services for the 1998-99 fiscal year for grants to local nonprofit farmers' markets for the purpose of promoting or selling farm products produced by local small, family-owned farms, the Department shall establish guidelines and procedures for disbursing the grants in a fair and equitable manner. The Department shall adopt any rules needed to implement this section.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

LOAN PROGRAM FOR SMALL, FAMILY-OWNED FARMS

Section 13.8. (a) The funds appropriated in this act to the North Carolina Rural Rehabilitation Corporation within the Department of Agriculture and Consumer Services for the 1998-99 fiscal year shall be used to make loans to those farmers of small, family-owned farms having financial difficulty as shown by their inability to obtain affordable conventional loans from other sources.

(b) Priority for loans from the funds allocated under this section shall be extended for the following small, family-owned farms:

(1) Dairy farms with fewer than 300 dairy cows.

(2) Turkey farms that have lost contracts with integrators for reasons not related to having violated environmental laws or rules.

(3) Swine farms of fewer than 500 swine at any time.

(4) Peach or apple farms that have lost fifty percent (50%) or more of their fruit crop due to frost or freeze damage.

(c) The term of the loans under this section shall not exceed 20 years. These loans shall be provided in accordance with the lending requirements of the North Carolina Rural Rehabilitation Corporation pursuant to Article 2 of Chapter 137 of the General Statutes.

(d) The Department of Agriculture and Consumer Services shall adopt rules to implement this section.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter, Tolson

LEWIS STEAM POWERED SAWMILL RELOCATION

Section 13.9. The Department of Agriculture and Consumer Services may use up to two hundred twenty-five thousand dollars ($225,000) in available funds for the State fair for the 1998-99 fiscal year for the expenses of relocating the Lewis Steam Powered Sawmill from Pitt County to the State Fairgrounds in Raleigh, restoring and rendering the sawmill operational at its new site, and operating the sawmill.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

POULTRY/RATITE DEALERS REGISTRATION

Section 13.10. (a) G.S. 106-540(3) reads as rewritten:

"(3) Regulate hatching egg dealers, chick dealers, poult dealers, poultry dealers, ratite dealers, and jobbers."

(b) G.S. 106-541 reads as rewritten:

"§ 106-541. Definitions.

For the purpose of this ~~Article, a hatchery shall be defined as~~ Article, the following definitions apply:

(1) `Hatchery' means any establishment that operates hatchery equipment for the production of baby chicks or poults.

(2) ~~A hatching~~ `Hatching egg dealer, chick ~~dealer or jobber shall mean~~ dealer, or jobber' means any person, ~~firm~~ firm, or corporation that buys hatching eggs, baby ~~chicks~~ chicks, or turkey poults and sells or offers them for sale.

(3) `Live poultry or ratite dealer' means a person who sells or offers for sale to the general public live poultry or ratites. Live poultry or ratite dealer does not include persons who sell on their own premises live poultry or ratites that were raised on the same premises.

(4) ~~The term "mixed~~ `Mixed chicks' or `assorted chicks' ~~shall mean~~ means chicks produced from eggs from purebred females of a distinct breed mated to a purebred male of a distinct breed.

(5) `Poultry' means live chickens, doves, ducks, geese, grouse, guinea fowl, partridges, pea fowl, pheasants, pigeons, quail, swans, or turkeys other than chicks or poults.

(6) `Ratite' has the same meaning as in G.S. 106-549.15."

(c) G.S. 106-542 is amended by adding the following new subsections:

"(b1) It shall be unlawful for any person, firm, or corporation to operate as a live poultry or ratite dealer without first registering with the Department of Agriculture and Consumer Services.

(b2) It shall be unlawful for a specialty market operator, as defined in G.S. 66-250, to knowingly and willfully permit an unregistered poultry or ratite dealer to operate on the premises of the specialty market, as defined in G.S. 66-250, more than 10 days after being notified in writing by the Department of Agriculture and Consumer Services that the dealer is not registered."

(d) G.S. 106-547 reads as rewritten:

"§ 106-547. Records to be kept.

Every hatchery, hatching egg dealer, chick ~~dealer~~ dealer, poultry dealer, ratite dealer, or jobber shall keep such records of operation as the regulations of the Department of Agriculture and Consumer Services may require for the proper inspection of said hatchery, ~~dealer~~ dealer, or jobber."

(e) The Department of Agriculture and Consumer Services shall use available funds for the 1998-99 fiscal year for the enforcement of registration requirements for poultry and ratite dealers as provided for in this section.

(f) Sections (a) through (d) of this section become effective January 1, 1999.

PART XIV. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Soles, Representatives Mitchell, Baker, Carpenter, Hunter

NORTH CAROLINA MUSEUM OF FORESTRY

Section 14.1. (a) Part 29 of Article 7 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"§ 143B-344.22. North Carolina Museum of Forestry; satellite museum.

The Department of Environment and Natural Resources shall establish and administer the North Carolina Museum of Forestry in Columbus County as a satellite museum of the North Carolina State Museum of Natural Sciences."

(b) This section becomes effective December 1, 1998.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Perdue, Plyler, Odom, Representatives Mitchell, Baker, Carpenter, Hunter

MARINE FISHERIES APPEALS PANEL/ROTATE MEETING LOCATIONS

Section 14.2. Section 3(d) of Chapter 576 of the 1993 Session Laws, Regular Session 1994, as amended by Section 1 of Chapter 770 of the 1993 Session Laws, Regular Session 1994, reads as rewritten:

"(d) During the moratorium, there shall be an Appeals Panel to consider license applications for new licenses.

(1) The Appeals Panel shall consist of the Fisheries Director, the Chairman of the Marine Fisheries Commission, and one other person selected by the Cochairs of the Joint Legislative Commission on Seafood and Aquaculture to review hardship or emergency license cases.

(2) The Marine Fisheries Commission shall adopt temporary rules to govern the operation of the Appeals Panel. The Appeals Panel is exempt from the provisions of Article 3 of Chapter 150B of the General Statutes. Decisions of the Appeals Panel shall be subject to judicial review under the provisions of Article 4 of Chapter 150B of the General Statutes.

(3) The Appeals Panel may grant a license if it finds that the denial of the license application would create an emergency or hardship on the individual or the State. In no event shall the Appeals Panel grant a

license when the total number of licenses in the specific category would exceed the number of licenses in effect on June 30, 1994.

(4) The Appeals Panel may grant an emergency temporary license due to death, illness, or incapacity, for a period not to exceed 30 days. Emergency temporary licenses shall be limited to vessel crab licenses authorized under G.S. 113-153.1(d).

(5) Beginning in November 1998, the Appeals Panel shall rotate the location of its meetings among the three districts of the State in the following order: Northeastern district, Central district, Southern district, Central district, Northeastern district, Central district, Southern district. The order of rotation is arranged so that the meeting location for every other meeting is in the Central district of the State. The meeting location for November 1998 shall be in the Northeastern district of the State and the rotation of the meeting locations shall continue as provided by this subdivision.

If an applicant who is appealing a licensing decision in accordance with this section requests in writing that the Appeals Panel schedule the person's hearing when it meets in that person's home district, the Appeals Panel shall calendar that person's hearing for his or her home district as requested."

Requested by: Senators Perdue, Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

FISHERY MANAGEMENT PLANS/REGIONAL ADVISORY COMMITTEE

Section 14.3. G.S. 113-182.1 reads as rewritten:

"§ 113-182.1. (Effective July 1, 1998) Fishery Management Plans.

(a) The Department shall prepare proposed Fishery Management Plans for adoption by the Marine Fisheries Commission for all commercially or recreationally significant species or fisheries that comprise State marine or estuarine resources. Proposed Fishery Management Plans shall be developed in accordance with the Priority List, Schedule, and guidance criteria established by the Marine Fisheries Commission under ~~G.S. 143B-289.22.~~ G.S. 143B-289.52.

(b) The goal of the plans shall be to ensure the long-term viability of the State's commercially and recreationally significant species or fisheries. Each plan shall be designed to reflect fishing practices so that one plan may apply to a specific fishery, while other plans may be based on gear or geographic areas. Each plan shall:

(1) Contain necessary information pertaining to the fishery or fisheries, including management goals and objectives, status of relevant fish stocks, stock assessments for multiyear species, fishery habitat and water quality considerations consistent with Coastal Habitat Protection Plans adopted pursuant to G.S. 143B-279.8, social and economic impact of the fishery to the State, and user conflicts.

(2) Recommend management actions pertaining to the fishery or fisheries.

(3) Include conservation and management measures that prevent overfishing, while achieving, on a continuing basis, the optimal yield from each fishery.

(c) To assist in the development of each Fishery Management Plan, the Chair of the Marine Fisheries Commission shall appoint ~~an Advisory Council.~~ a fishery management plan advisory committee. Each ~~Advisory Council~~ fishery management plan advisory committee shall be composed of commercial fishermen, recreational fishermen, and

scientists, all with expertise in the fishery for which the Fishery Management Plan is being developed.

(c1) The Department shall consult with the regional advisory committees established pursuant to G.S. 143B-289.57(e) regarding the preparation of each Fishery Management Plan. Before submission of a plan for review by the Joint Legislative Commission on Seafood and Aquaculture or the Environmental Review Commission, the Department shall review any comment or recommendation regarding the plan that a regional advisory committee submits to the Department within the time limits established in the Schedule for the development and adoption of Fishery Management Plans established by G.S. 143B-289.52. The Commission shall consult with the regional advisory committees regarding the development of any temporary management measure that the Commission determines to be necessary to ensure the viability of the species or fishery while the plan is being developed and regarding the development of any management measure to implement the plan. Before the Commission adopts a temporary management measure or a management measure to implement a plan, the Commission shall review any comment or recommendation regarding the management measure that a regional advisory committee submits to the Commission.

(d) Each Fishery Management Plan shall be revised at least once every three years. The Marine Fisheries Commission may revise the Priority List and guidance criteria whenever it determines that a revision of the Priority List or guidance criteria will facilitate or improve the development of Fishery Management Plans or is necessary to restore, conserve, or protect the marine and estuarine resources of the State. The Marine Fisheries Commission may not revise the Schedule for the development of a ~~Fisheries~~ Fishery Management Plan, once adopted, without the approval of the Secretary of Environment and Natural Resources.

(e) The Secretary of Environment and Natural Resources shall monitor progress in the development and adoption of Fishery Management Plans in relation to the Schedule for development and adoption of the plans established by the Marine Fisheries Commission. The Secretary of Environment and Natural Resources shall report to the Joint Legislative Commission on Seafood and Aquaculture and the Environmental Review Commission on progress in developing and implementing the Fishery Management Plans on or before 1 September of each year. The Secretary of Environment and Natural Resources shall report to the Joint Legislative Commission on Seafood and Aquaculture and the Environmental Review Commission within 30 days of the completion or substantial revision of each proposed Fishery Management Plan. The Joint Legislative Commission on Seafood and Aquaculture and the Environmental Review Commission shall concurrently review each proposed Fishery Management Plan within 30 days of the date the proposed Plan is submitted by the Secretary. The Joint Legislative Commission on Seafood and Aquaculture and the Environmental Review Commission may submit comments and recommendations on the proposed Plan to the Secretary within 30 days of the date the proposed Plan is submitted by the Secretary.

(f) The Marine Fisheries Commission shall adopt rules to implement Fishery Management Plans in accordance with Chapter 150B of the General Statutes."

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter, Preston, Redwine

UP ADMINISTRATIVE CAP FOR FISHERY RESOURCE GRANT PROGRAM

Section 14.3B. Section 5 of Chapter 633 of the 1995 Session Laws, Regular Session 1996, reads as rewritten:

"Sec. 5. Funds appropriated to the Department of ~~Environment, Health,~~ Environment and Natural Resources for the Fishery Resource Grant Program under Section 2 of Chapter 324 of the 1994 Session Laws shall be transferred to the Board of Governors of The University of North Carolina for the Sea Grant College Program to administer the Fishery Resource Grant Program. The Sea Grant College Program may use up to ~~twenty-five thousand dollars ($25,000)~~ seventy-five thousand dollars ($75,000) for administrative expenses relating to the Fishery Resource Grant Program."

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford, Mitchell, Baker, Carpenter

GRASSROOTS SCIENCE PROGRAM

Section 14.4. Section 15.1 of S.L. 1997-443 reads as rewritten:

"Section 15.1. Funds appropriated in this act for the Grassroots Science Program shall be allocated as grants-in-aid as follows:

	1997-98	1998-99	
Iredell County Children's Museum	$56,500	~~$50,000~~	$53,935
Museum of Coastal Carolina	$66,750	~~$50,000~~	$59,513
Rocky Mount Children's Museum	$109,750	~~$50,000~~	$84,414
Imagination Station	$111,000	~~$50,000~~	$88,276
Western North Carolina Nature Center	$130,750	~~$15,000~~	$136,321
The Health Adventure Museum of Pack Place Education, Arts and Science Center, Inc.	$162,500	~~$35,000~~	$114,177
Cape Fear Museum	$188,500	~~$50,000~~	$131,831
Catawba Science Center	$190,500	~~$50,000~~	$115,614
Sci Works Science Center and Environmental Park of Forsyth County	$231,000	~~$50,000~~	$156,434
Natural Science Center of Greensboro	$333,000	~~$50,000~~	$210,232
Schiele Museum of Natural History	$383,750	~~$50,000~~	$250,812
North Carolina Museum of Life and Sciences	$398,750	~~$50,000~~	$274,371
Discovery Place	$887,250	~~$50,000~~	$584,070
TOTAL	$3,250,000	~~600,000~~	$2,260,000

Discovery Place may use up to one hundred thousand dollars ($100,000) of the funds allocated to it in the 1997-98 fiscal year and up to one hundred thousand dollars ($100,000) of the funds allocated to it in the 1998-99 fiscal year to study the feasibility of an expansion of Discovery Place."

Requested by: Senators Martin of Pitt, Perdue, Representatives Mitchell, Baker, Carpenter, Hall

ENVIRONMENTAL EDUCATION GRANTS

Section 14.5. (a) Of the two hundred thousand dollars ($200,000) appropriated in this act to the Department of Environment and Natural Resources for the

1998-99 fiscal year for environmental education grants, up to fifty thousand dollars ($50,000) may be used by the Department for the 1998-99 fiscal year for the costs of administering the environmental education grants. The remainder of these funds shall be used to provide grants to promote environmental education throughout the State. Grants under this section may be awarded to:

(1) Schools, community organizations, and environmental education centers for the development of environmental education library collections; or

(2) School groups for field trips to environmental education centers across the State, provided the activities of the field trip are correlated with the Department of Public Instruction's curriculum objectives.

(b) The Department shall report to the Joint Legislative Commission on Governmental Operations, the Environmental Review Commission, and the Fiscal Research Division by January 1, 1999, and again by July 1, 1999, on the grant program. The report shall include a list of amounts awarded and project descriptions for each grant recipient.

Requested by: Senators Plyler, Perdue, Odom, Representatives Mitchell, Baker, Carpenter

PARKS AND RECREATION/NATURAL HERITAGE TRUST FUNDS REPORTING REQUIREMENTS

Section 14.6. (a) G.S. 113-44.15(c) reads as rewritten:

"(c) The North Carolina Parks and Recreation Authority shall report ~~on an annual basis~~ no later than October 1 of each year to the Joint Legislative Commission on Governmental Operations, the ~~appropriations committees of the House of Representatives and the Senate, and~~ House and Senate Appropriations Subcommittees on Natural and Economic Resources, the Fiscal Research ~~Division~~ Division, and the Environmental Review Commission on allocations from the Trust ~~Fund.~~ Fund from the prior fiscal year. The Authority also shall provide a progress report no later than March 15 of each year to the same recipients on the activities of and the expenditures from the Trust Fund for the current fiscal year."

(b) G.S. 113-77.9(e) reads as rewritten:

"(e) The Secretary shall maintain and ~~annually~~ revise twice each year a list of acquisitions made pursuant to this Article. The list shall include the acreage of each tract, the county in which the tract is located, the amount paid from the Fund to acquire the tract, and the State department or division responsible for managing the tract. The Secretary shall furnish a copy of the list to each ~~Trustee and to each House of the General Assembly~~ Trustee, the Joint Legislative Commission on Governmental Operations, the House and Senate Appropriations Subcommittees on Natural and Economic Resources, the Fiscal Research Division, and the Environmental Review Commission within 30 days after each revision."

(c) Notwithstanding G.S. 113-44.15(c) as rewritten by subsection (a) of this section, the report due no later than October 1, 1998, shall instead be made no later than December 1, 1998.

Requested by: Senators Plyler, Perdue, Odom, Representatives Mitchell, Baker, Carpenter

NEUSE AND TAR-PAMLICO RIVER BASIN ASSISTANCE

Section 14.6B. The Department of Environment and Natural Resources shall provide progress reports on an initiative by the Division of Soil and Water Conservation

to assist local soil and water conservation districts in the Neuse and Tar-Pamlico River Basins in targeting and tracking nutrient reduction efforts of agriculture operations, as well as evaluating the cost-effectiveness of best management practices. The Department shall report on the activities and accomplishments of this initiative by January 15 and April 15, 1999, to the House and Senate Appropriations Subcommittees on Natural and Economic Resources and the Fiscal Research Division.

Requested by: Senators Plyler, Perdue, Odom, Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

ACQUISITION PARITY FOR PARKS AND RECREATION TRUST FUND

Section 14.7. G.S. 113-44.15(b) reads as rewritten:

"(b) Funds in the Trust Fund are annually appropriated to the North Carolina Parks and Recreation Authority and, unless otherwise specified by the General Assembly or the terms or conditions of a gift or grant, shall be allocated and used as follows:

(1) Sixty-five percent (65%) for the State Parks System for capital projects, repairs and renovations of park facilities, and land acquisition.

(2) Thirty percent (30%) to provide matching funds to local governmental units on a dollar-for-dollar basis for local park and recreation purposes. These funds shall be allocated by the North Carolina Parks and Recreation Authority based on criteria patterned after the Open Project Selection Process established for the Land and Water Conservation Fund administered by the National Park Service of the United States Department of the Interior.

(3) Five percent (5%) for the Coastal and Estuarine Water Beach Access Program.

In allocating funds in the Trust Fund under this subsection, the North Carolina Parks and Recreation Authority shall consider geographic distribution across the State to the extent practicable. Of the funds appropriated to the North Carolina Parks and Recreation Authority from the Trust Fund each year, no more than three percent (3%) may be used by the Department for operating expenses associated with managing capital improvements projects, acquiring land, and administration of local grants programs."

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

CULLASAJA RIVER STUDY FUNDS

Section 14.8. The Department of Environment and Natural Resources shall study the feasibility of including that portion of the Cullasaja River that borders Nantahala National Forest in the North Carolina natural and scenic river system pursuant to Article 3 of Chapter 113A of the General Statutes. No later than March 15, 1999, the Department shall report the results of this study and its recommendations to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division, and the Environmental Review Commission.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

CREATE NEW CLASSIFICATION OF ABANDONED WELLS

Section 14.9B. (a) G.S. 87-88(k) is amended by adding a new subdivision to read:

"(3) Abandonment of Water Supply Wells for Other Use: Any water supply well that is removed from service as a potable water supply source may

be used for other purposes, including, but not limited to, irrigation, commercial use, or industrial use, and such well is not subject to either subdivision (1) or (2) of this subsection during its use for other purposes."

(b) This section is effective when this act becomes law.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter, Culp

RANDLEMAN DAM FUNDS DO NOT REVERT

Section 14.9C. Section 8(c) of Chapter 777 of the 1993 Session Laws, as rewritten by Section 26.2 of Chapter 507 of the 1995 Session Laws and Section 15.47(a) of S.L. 1997-443, reads as rewritten:

"(c) All funds appropriated in Chapter 769 of the 1993 Session Laws for the construction of Randleman Dam shall revert to the General Fund on ~~October 1, 1999,~~ October 1, 2000, if construction has not begun before that date."

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter, McComas

RELOCATION OF MASON'S INLET

Section 14.9D. The County of New Hanover may undertake a project relocating the channel of Mason's Inlet to an alignment that reduces the erosion threat to the north end of the Town of Wrightsville Beach and does not create a threat to the houses located on the south end of Figure Eight Island. Materials dredged during the realignment of the channel that are suitable for beach nourishment shall be placed on the adjacent shorelines of the Town of Wrightsville Beach and Figure Eight Island that are threatened by erosion. The County of New Hanover shall not undertake the project without the concurrence of the Division of Water Resources of the Department of Environment and Natural Resources that the project is necessary and viable.

Upon obtaining the concurrence of the Division of Water Resources of the Department of Environment and Natural Resources, the County of New Hanover may acquire the property necessary to realign the channel of Mason's Inlet to protect the north end of the Town of Wrightsville Beach against the forces of erosion threatening property located at or adjacent to the inlet by purchase, by negotiation, or by condemnation. Should the County of New Hanover elect to exercise the right of eminent domain, condemnation proceedings shall be maintained by and in the name of the sponsor and it may proceed in the manner provided for the Board of Transportation by Article 9 of Chapter 136 of the General Statutes.

Any document prepared to meet the requirements of the Environmental Policy Act, Article 1 of Chapter 113A of the General Statutes shall be reviewed simultaneously with consideration of the permit application required pursuant to the Coastal Area Management Act, Article 7 of Chapter 113A of the General Statutes and completed within the time limit established pursuant to G.S. 113A-122(c).

Any Coastal Area Management Act permit issued for the relocation of Mason's Inlet channel pursuant to this provision is exempt from the requirements of G.S. 113A-121.1(c).

Construction of the permitted project shall not start until the project sponsor has obtained all necessary State and federal permits, and no direct State-appropriated funds shall be used for the construction of the realignment of the channel.

Requested by: Senators Phillips, Plyler, Perdue, Odom, Representatives Mitchell, Baker, Carpenter, Allred

EXTEND COMPLIANCE DATE FOR NITROGEN DISCHARGE LIMIT FOR CERTAIN NSW WATERS

Section 14.9H. (a) Section 6.3 of S.L. 1997-458 reads as rewritten:

"Section 6.3. By 1 November 1997, the Environmental Management Commission shall develop a schedule of dates between 1 January 1998 and 1 January 2003, by which ~~existing~~ facilities in existence on 1 July 1997 must comply with G.S. 143-215.1(c1) and G.S. 143-215.1(c2), as enacted by Section 6.1 of this act. The schedule of compliance dates shall follow as closely as possible the dates on which permits for existing facilities must be renewed. New facilities and expansions of existing facilities for which an application for a permit is received by the Department of ~~Environment, Health,~~ Environment and Natural Resources on behalf of the Environmental Management Commission prior to the date this act becomes effective shall be treated as existing facilities. For surface waters to which the limit set out in G.S. 143-215.1(c1) applies where nitrogen is not designated by the Commission as a nutrient of concern, the Commission may extend the compliance date established pursuant to this section as provided in G.S. 143-215.1B, which applies to this section notwithstanding the absence of a reference to this section in G.S. 143-215.1B(a). A request to extend a compliance date under this section shall be submitted to the Commission no later than 1 January 1999."

(b) G.S. 143-215.1 is amended by adding a new subsection to read:

"(c6) For surface waters that the Commission classifies as nutrient sensitive waters (NSW) on or after 1 July 1997, the Commission shall establish a date by which facilities that were placed into operation prior to the date on which the surface waters are classified NSW or for which an authorization to construct was issued prior to the date on which the surface waters are classified NSW must comply with subsections (c1) and (c2) of this section. The Commission shall establish the compliance date at the time of the classification. The Commission shall not establish a compliance date that is more than five years after the date of the classification. The Commission may extend the compliance date as provided in G.S. 143-215.1B. A request to extend a compliance date shall be submitted within 120 days of the date on which the Commission reclassifies a surface water body as NSW."

(c) Part 1 of Article 21 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-215.1B. Extension of date for compliance with nitrogen and phosphorous discharge limits.

(a) The Commission may extend a compliance date established under G.S. 143-215.1(c6) only in accordance with the requirements of this section and only upon the request of a person who holds a permit under G.S. 143-215.1 that authorizes a discharge into surface waters to which the limits set out in subsections (c1) or (c2) of G.S. 143-215.1 apply. The Commission shall act on a request for an extension of a compliance date within 120 days after the Commission receives the request. The Commission shall not extend a compliance date if the Commission concludes, on the basis of the scientific data available to the Commission at the time of the request, that the extension will result in a violation of the antidegradation policy set out in 40 Code of Federal Regulations § 131.12 (1 July 1997 Edition). The Commission shall not extend a compliance date unless the Commission finds that the permit holder needs additional time to develop a calibrated nutrient response model that meets the requirements of this section. If the Commission requires an individual discharge to be limited to a maximum mass load or concentration

that is different from those set out in subsections (c1) or (c2) of G.S. 143-215.1, the maximum mass load or concentration shall be substantiated by the model.

(b) The Commission shall determine the extended compliance date by adding to the date on which the Commission grants the extension: (i) two years for the collection of data needed to prepare a calibrated nutrient response model; (ii) a maximum of one year to prepare the calibrated nutrient response model; (iii) the amount of time, if any, that is required for the Commission to develop a nutrient management strategy and to adopt rules or to modify discharge permits to establish maximum mass loads or concentration limits based on the calibrated nutrient response model; and (iv) a maximum of three years to plan, design, finance, and construct a facility that will comply with those maximum mass loads and concentration limits. If the Commission finds that additional time is needed to complete the construction of a facility, the Commission may further extend an extended compliance date by a maximum of two additional years.

(c) Notwithstanding the provisions of G.S. 150B-21.1(a), the Commission may adopt temporary rules to establish maximum mass loads or concentration limits pursuant to this section or as may otherwise be necessary to implement this section.

(d) A permit holder who is granted an extended compliance date under this section shall:

(1) Develop a calibrated nutrient response model in conjunction with other affected parties and in accordance with a timetable for the development of the model that has been approved by the Commission. The model shall be based on current data, capable of predicting the impact of nitrogen and phosphorous in the surface waters, capable of being incorporated into any nutrient management plan developed by the Commission, and approved by the Commission.

(2) Evaluate and optimize the operation of all facilities operated by the permit holder that are permitted under G.S. 143-215.1(c) and that discharge into the nutrient sensitive waters (NSW) for which the compliance date is extended pursuant to this section in order to reduce nutrient loading.

(3) Evaluate methods to reduce the total mass load of waste that is discharged from all facilities operated by the permit holder that are permitted under G.S. 143-215.1(c) and that discharge into the nutrient sensitive waters (NSW) for which the compliance date is extended pursuant to this section and determine whether these methods are cost-effective.

(4) Evaluate methods to reduce the discharge of treated effluent from all facilities operated by the permit holder that are permitted under G.S. 143-215.1(c) and that discharge into the nutrient sensitive waters (NSW) for which the compliance date is extended pursuant to this section; including land application of treated effluent, the use of restored or created wetlands that are not located in a 100-year floodplain to polish treated effluent, and other methods to reuse treated effluent; and determine whether these methods are cost-effective.

(5) Report to the Commission on progress in the development of the calibrated nutrient response model, on efforts to optimize the operation of facilities, on the evaluation of methods of reducing the total mass load of waste, and on the evaluation of methods to reduce the discharge of treated effluent. The Commission shall establish a schedule for

reports that requires the permit holder to report on at least a semiannual basis.

(e) The Commission may revoke an extension granted under this section and impose the limits set out in subsections (c1) and (c2) of G.S. 143-215.1 if the Commission determines that a permit holder who has obtained an extension under this section has, at any time during the period of the extension:

(1) Failed to comply with the requirements of subsection (d) of this section; or

(2) Violated any conditions or limitations of any permit issued under G.S. 143-215.1 or special order issued under G.S. 143-215.2 if the violation is the result of conduct by the permit holder that results in a significant violation of water quality standards."

(d) G.S. 143-215.1 is amended by adding a new subsection to read:

"(h) Each applicant for a new permit or the modification of an existing permit issued under subsection (c) of this section shall include with the application: (i) the extent to which the new or modified facility is constructed in whole or in part with funds provided or administered by the State or a unit of local government, (ii) the impact of the facility on water quality, and (iii) whether there are cost-effective alternative technologies that will achieve greater protection of water quality. The Commission shall prepare a quarterly summary and analysis of the information provided by applicants pursuant to this subsection. The Commission shall submit the summary and analysis required by this subsection to the Environmental Review Commission (ERC) as a part of each quarterly report that the Commission is required to make to the ERC under G.S. 143B-282(b)."

(e) The Environmental Management Commission shall present the first summary and analysis required by G.S. 143-215.1(h), as enacted by subsection (d) of this section, as a part of the quarterly report to the Environmental Review Commission due on or before 15 April 1999 under G.S. 143B-282(b), as amended by subsection (f) of this section.

(f) G.S. 143B-282(b) reads as rewritten:

"(b) The Environmental Management Commission shall submit quarterly written reports as to its operation, activities, programs, and progress to the Environmental Review Commission. The Environmental Management Commission shall supplement the written reports required by this subsection with additional written and oral reports as may be requested by the Environmental Review Commission. The Environmental Management Commission shall submit the written reports required by this subsection on or before 15 January, 15 April, 15 July, and 15 October of each year for the preceding calendar quarter. The Environmental Management Commission shall submit the written reports required by this subsection whether or not the General Assembly is in session at the time the report is due."

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Perdue, Representatives Mitchell, Baker, Carpenter, Hunter

TAR-PAMLICO AND NEUSE RIVERS RAPID RESPONSE TEAM

Section 14.10. The Department of Environment and Natural Resources shall direct members of the "Rapid Response Teams" for the Tar-Pamlico River Basin and the Neuse River Basin to assist other departmental personnel in routine water monitoring activities in the Tar-Pamlico River Basin or Neuse River Basin when the members of the "Rapid Response Teams" are not needed to respond to water quality emergencies or citizen complaints. The Department may also direct that personnel performing water

quality monitoring activities assist with water quality monitoring in river basins to which the person has not been assigned if the person is not needed in the assigned basin.

The Department shall evaluate its use and assignment of the "Rapid Response Teams" and water quality monitoring personnel for the Tar-Pamlico River Basin and the Neuse River Basin to determine whether the most efficient use is being made of those personnel and resources. If the Department determines that assistance is needed in river basins other than those to which the "Rapid Response Teams" and water quality monitoring personnel have been assigned, the Department may direct that any appropriate member from the "Rapid Response Teams" or the water quality monitoring personnel assist in those basins where assistance is needed.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter, Hall

PROGRESS REPORTS/ISOTOPE STUDY TO IDENTIFY SOURCES OF NITROGEN IN NEUSE AND CAPE FEAR RIVER BASINS

Section 14.11B. The Primary Investigator or Researcher receiving funding from funds appropriated in this act to the Department of Environment and Natural Resources for the 1998-99 fiscal year for the isotope study to identify sources of nitrogen in the waters of the Neuse and Cape Fear River Basins shall satisfy the same reporting requirements as those set forth in Section 15.10 of S.L. 1997-443 for all the agriculture waste research reports.

Requested by: Senator Perdue

PARTNERSHIP FOR THE SOUNDS FUNDS

Section 14.12. Partnership for the Sounds, Inc., shall use a portion of the funds appropriated in this act to the Department of Environment and Natural Resources for the 1998-99 fiscal year for Partnership for the Sounds, Inc., to expand their programs to include activities to promote nature-based tourism and environmental stewardship and education in Pamlico County.

Requested by: Senator Martin of Pitt, Representatives Mitchell, Baker, Carpenter, Hall

PROGRESS REPORTS/ALTERNATIVE ANIMAL WASTE TECHNOLOGIES STUDY

Section 14.13. The Primary Investigator or Researcher receiving funding from funds appropriated in this act to the Department of Environment and Natural Resources for the 1998-99 fiscal year for the study of alternative animal waste technologies shall satisfy the same reporting requirements as those set forth in Section 15.10 of S.L. 1997-443 for all the agriculture waste research reports.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

PROGRESS REPORTS/NEUSE MODELING PROJECT FUNDS

Section 14.14. (a) The funds appropriated in this act to the Department of Environment and Natural Resources for the 1998-99 fiscal year for the Neuse River Modeling and Monitoring Project shall be transferred to the Board of Governors of The University of North Carolina for the Water Resources Research Institute and shall be used to monitor and model the Neuse River and the Neuse estuary under the Modeling and Monitoring (MODMON) Project, to develop a hydrodynamic model of the Neuse watershed, and to link these models in order to provide the data needed to determine the effectiveness of current nutrient management strategies for the Neuse River Basin.

(b) The Primary Investigator or Researcher receiving funding pursuant to subsection (a) of this section shall provide progress reports to the Environmental Review Commission, the Joint Legislative Commission on Governmental Operations, the Scientific Advisory Council on Water Resources and Coastal Fisheries Management, and the Fiscal Research Division on January 1 and July 1 of each year until the project or study is complete. Upon completion of the project or study, the Primary Investigator or Researcher shall provide a final report.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

UPPER NEUSE RIVER BASIN FUNDS/MODEL WATERSHED MANAGEMENT PLAN

Section 14.15. (a) The General Assembly finds that:

(1) The water resources of the Upper Neuse River Basin provide an essential and high quality supply of water needed to meet municipal, industrial, and agricultural needs.

(2) The water resources of the Upper Neuse River Basin are essential for wildlife habitat protection, water quality management, recreational activities, and other purposes.

(3) Management and protection of the quality and quantity of water in the Upper Neuse River Basin are essential to the future economic vitality of the several counties and municipalities that have planning and zoning jurisdiction in the Upper Neuse River Basin.

(4) As provided for under Part 1 of Article 21 of Chapter 143 of the General Statutes, comprehensive and coordinated State-local efforts are needed to develop and implement plans that provide adequate, long-term management and protection of water resources in river basins and segments of river basins, including the Upper Neuse River Basin.

(5) It would be beneficial for the State to support development of a model State-local watershed management approach in North Carolina, as envisioned in Part 1 of Article 21 of Chapter 143 of the General Statutes, enacted during the 1997 Session. The Upper Neuse River Basin Association proposes to develop such a model approach.

(b) Of the funds appropriated by this act to the Department of Environment and Natural Resources for the 1998-99 fiscal year the sum of three hundred thousand dollars ($300,000) shall be allocated to the Upper Neuse River Basin Association, Inc., to develop a cooperative, comprehensive, and integrated State-local watershed management plan for the Upper Neuse River Basin to serve as a model watershed management approach for river basins and subbasins in North Carolina.

(c) The Upper Neuse Watershed Management Plan shall comply with the requirements of G.S. 143-214.14(g).

The Department of Environment and Natural Resources and other appropriate State agencies shall provide technical assistance to the Association during the development of the Association's plan. The Association shall actively solicit the input and assistance of the agencies during the identification of goals and objectives, development of performance indicators and benchmarks, and preparation of the plan.

(d) The funds allocated by this section are not adequate for the actual implementation of all or part of the recommendations included in the final watershed management plan. The Association and its member governments shall work with State

and federal agencies and private and nonprofit organizations and individuals to obtain funding support for implementation of the plan.

(e) The Association shall report on all of its activities and programs to the Environmental Review Commission, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division on or before March 1 of each fiscal year, beginning in 1999, through completion of the final plan. The report shall include information on the Association's activities and accomplishments during the current fiscal year, itemized expenditures for development of the plan, major planned activities and accomplishments for at least the next 12 months, and anticipated expenditures with sources of funding for the next 12 months.

(f) For purposes of this section, "Upper Neuse River Basin" means all of the watershed area that drains that part of the Neuse River Basin and its tributary streams that are located above or terminate at the Falls Lake Reservoir Dam. The Upper Neuse River Basin is approximately 770 square miles in area and comprises all or part of six counties and eight municipalities. It comprises about thirteen percent (13%) of the entire Neuse River Basin.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

CHATHAM FUNDS FOR LOW-LEVEL RADIOACTIVE WASTE SITING

Section 14.17. Of the funds appropriated to the Department of Environment and Natural Resources in this act for the 1998-99 fiscal year, the sum of one hundred thousand dollars ($100,000) shall be used to reimburse Chatham County for the unreimbursed costs to Chatham County for providing technical assistance regarding the site selection of a low-level radioactive waste facility pursuant to Chapter 104G of the General Statutes and for other expenses incurred by Chatham County related to licensing and siting a low-level radioactive waste facility.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

MARINE FISHERIES APPEALS PANEL STAFF SUPPORT

Section 14.17A. Notwithstanding G.S. 143-16.3, of the funds appropriated to the Department of Environment and Natural Resources for the 1998-99 fiscal year, the Department may use up to thirty-three thousand five hundred thirty-eight dollars ($33,538) to provide staff support to the appeals panel in the Division of Marine Fisheries.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

AGRICULTURE COST SHARE PROGRAM DATABASE

Section 14.17B. Notwithstanding G.S. 143-16.3, of the funds appropriated to the Department of Environment and Natural Resources for the 1998-99 fiscal year, the Department may use up to sixty-one thousand dollars ($61,000) to provide programming and maintenance support to upgrade the existing agriculture cost share program database.

Requested by: Senator Martin of Pitt, Representatives Mitchell, Baker, Carpenter, Hall, Hunter

STATEWIDE BEAVER DAMAGE CONTROL PROGRAM FUNDS

Section 14.18. (a) Subsections (e) through (h) of Section 69 of Chapter 1044 of the 1991 Session Laws, as amended, are repealed.

(b) Section 69 of Chapter 1044 of the 1991 Session Laws, as amended by Section 111 of Chapter 561 of the 1993 Session Laws, Section 27.3 of Chapter 769 of the 1993 Session Laws, Section 26.6 of Chapter 507 of the 1995 Session Laws, Section 27.15 of Chapter 18 of the Session Laws of the 1996 Second Extra Session, Section 15.44 of S.L. 1997-443, and subsection (a) of this section reads as rewritten:

"Sec. 69. (a) There is established the Beaver Damage Control Advisory Board. The Board shall consist of nine members, as follows:

(1) The Executive Director of the North Carolina Wildlife Resources Commission, or his designee, who shall serve as chair;

(2) The Commissioner of ~~Agriculture,~~ Agriculture and Consumer Services, or a designee;

(3) The Director of the Division of Forest Resources of the Department of ~~Environment, Health,~~ Environment and Natural Resources, or a designee;

(4) The Director of the Soil and Water Conservation Division of the Department of ~~Environment, Health,~~ Environment and Natural Resources, or a designee;

(5) The Director of the North Carolina Cooperative Extension Service, or a designee;

(6) The Secretary of Transportation, or a designee;

(7) The State Director of the Animal Damage Control Division of the Animal and Plant Health Inspection Service, U.S. Department of Agriculture, or a designee;

(8) The President of the North Carolina Farm Bureau Federation, Inc., or a designee, representing private ~~landowners in the participating counties;~~ landowners; and

(9) A representative of the North Carolina Forestry Association.

(b) The Beaver Damage Control Advisory Board shall develop a statewide program to control beaver damage on private and public lands. ~~Anson, Bertie, Bladen, Brunswick, Carteret, Chatham, Chowan, Craven, Columbus, Cumberland, Duplin, Edgecombe, Franklin, Gates, Granville, Greene, Halifax, Harnett, Hertford, Hoke, Johnston, Jones, Lee, Lenoir, Lincoln, Martin, Nash, Northampton, Onslow, Pamlico, Pender, Pitt, Robeson, Sampson, Scotland, Vance, Warren, Washington, Wayne, and Wilson Counties shall participate in the program.~~ The Beaver Damage Control Advisory Board shall act in an advisory capacity to the Wildlife Resources Commission in the implementation of the program. In developing the program, the Board shall:

(1) Orient the program primarily toward public health and safety and toward landowner assistance, providing some relief to landowners through beaver control and management rather than eradication;

(2) Develop a priority system for responding to complaints about beaver damage;

(3) Develop a system for documenting all activities associated with beaver damage control, so as to facilitate evaluation of the program;

(4) Provide educational activities as a part of the program, such as printed materials, on-site instructions, and local workshops; and

(5) Provide for the hiring of personnel necessary to implement beaver damage control activities, administer the program, and set salaries of ~~personnel;~~

~~(6) Evaluate the costs and benefits of the program that might be applicable elsewhere in North Carolina.~~ personnel.

No later than ~~January 15, 1998,~~ March 15 of each year, the Board shall issue a report to the Wildlife Resources ~~Commission~~ Commission, the Senate and House Appropriations Subcommittees on Natural and Economic Resources, and the Fiscal Research Division on the ~~program to date, including recommendations on the feasibility of continuing the program in participating counties and the desirability of expanding the program into other counties.~~ results of the program during the preceding year. ~~The Wildlife Resources Commission shall prepare a plan to implement a statewide program to control beaver damage on private and public lands. No later than March 15, 1998, the Wildlife Resources Commission shall present its plan in a report to the House Appropriations Subcommittee on Natural and Economic Resources, the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division.~~

(c) The Wildlife Resources Commission shall implement the program, and may enter a cooperative agreement with the Animal Damage Control Division of the Animal and Plant Health Inspection Service, United States Department of Agriculture, to accomplish the program.

(d) Notwithstanding G.S. 113-291.6(d) or any other law, it is lawful to use snares when trapping beaver pursuant to the beaver damage control program developed pursuant to this section. The provisions of Chapter 218 of the 1975 Session Laws; Chapter 492 of the 1951 Session Laws, as amended by Chapter 506 of the 1955 Session Laws; and Chapter 1011 of the 1983 Session Laws do not apply to trapping carried out in implementing the beaver damage control program developed pursuant to this section.

(d1) In case of any conflict between G.S. 113-291.6(a) and G.S. 113-291.6(b) and this section, this section prevails.

(d2) Each county that volunteers to participate in this program for a given fiscal year shall provide written notification of its wish to participate no later than September 30 of that year and shall commit the sum of four thousand dollars ($4,000) in local funds no later than September 30 of that year."

(c) The Revisor of Statutes shall codify in Chapter 113 of the General Statutes Section 69 of Chapter 1044 of the 1991 Session Laws as amended.

(d) Of the funds appropriated in this act to the Wildlife Resources Commission for the 1998-99 fiscal year, up to the sum of five hundred thousand dollars ($500,000) shall be used to provide the State share necessary to support the beaver damage control program as revised in this section, provided the sum of twenty-five thousand dollars ($25,000) in federal funds is available for the 1998-99 fiscal year to provide the federal share.

(e) Section 16 of S.L. 1998-23 is repealed.

Requested by: Senator Kerr, Representative Creech

CLEAN WATER GRANTS/CLARIFICATION

Section 14.19. (a) Section 5.1(g) of S.L. 1998-132 reads as rewritten:

"(g) Unsewered Community Grants. The proceeds of fifty-five million dollars ($55,000,000) of Clean Water Bonds shall be used to provide grants to eligible local government units to assist with wastewater treatment works and wastewater collection systems. Such grants shall be awarded and administered by the Rural Economic Development Center.

The proceeds of this fifty-five million dollars ($55,000,000) of Clean Water Bonds shall be awarded on the following criteria:

(1) The applicant shall be a local government unit.

(2) The applicant's population shall not exceed 5,000 persons using the most recent annual population estimates certified by the State Planning Officer.

(3) The applicant shall be an unsewered community.

(4) The applicant's median household income shall not exceed ninety percent (90%) of the national median household income using the most recently updated income figures made available from the Bureau of the Census.

(5) The applicant has agreed by official resolution to adopt and place into effect on or before completion of the project a schedule of fees and charges for the proper operation, maintenance, and administration of the project. The schedule of fees and charges shall reflect at least the average annual water and wastewater cost per household calculated at one and one-half percent (1 1/2%) of the median household income of the applicant. However, if the applicant is a local government unit that upon completion of the project will have only a single utility, then, the schedule of fees and charges shall reflect at least the average annual water or wastewater cost as appropriate per household calculated at three fourths percent (3/4%) of the median household income of the applicant.

(6) The applicant must submit as part of the application packet a preliminary engineering report, including an analysis of possible wastewater service alternatives, and an environmental assessment.

An applicant who satisfies the criteria under this subsection (g) may be eligible for up to ninety percent (90%) of the total project cost.

The Rural Economic Development Center shall award grants to units of local government for the purposes authorized by this subsection in accordance with the criteria set forth in this subsection. The proceeds of the Clean Water Bonds issued for the purpose described in this subsection shall be held in the Clean Water Bonds Fund until needed for expenditure by the grantee for the payment of costs for the purposes for which the grant is made. The Rural Economic Development Center shall maintain records that document the timing and purpose for which each expenditure of proceeds of a grant is made and shall furnish such records to the Secretary of Commerce at the time a request for payment to or on behalf of a grantee is to be made.

At the end of each fiscal year the Secretary of Commerce shall review the grants awarded by the Rural Economic Development Center with proceeds from the Clean Water Bonds to verify that the grants awarded comply with the requirements of this act. The Secretary of Commerce shall provide his or her findings regarding compliance in writing to the State Treasurer.

At the time that the Rural Economic Development Center provides information to the Secretary of Commerce as to the grants awarded during the preceding fiscal year, the Rural Economic Development Center shall also provide the Secretary of Commerce with a copy of all records of the Rural Economic Development Center from the preceding fiscal year (to the extent not previously provided to the Secretary) that document the timing and purposes of the expenditures by the grantee units of local government of the proceeds of the grants funded from the proceeds of the Clean Water Bonds."

(b) G.S. 159G-6(b) reads as rewritten:

"(b) Wastewater Accounts. -- The sums allocated in G.S. 159G-4 and accruing to the various Wastewater Accounts in each fiscal year shall be used to make revolving loans

and grants to local government units as provided below. The Department of Environment and Natural Resources shall disburse no funds from the Wastewater Accounts except upon receipt of written approval of the disbursement from the Environmental Management Commission.

(1) General Wastewater Revolving Loan and Grant Account. -- The funds in the General Wastewater Revolving Loan and Grant Account shall be used exclusively for the purpose of providing for revolving construction loans or grants in connection with approved wastewater treatment work or wastewater collection system projects.

(2) High-Unit Cost Wastewater Account. -- The funds in the High-Unit Cost Wastewater Account shall be available for grants to applicants for high-unit cost wastewater projects. Eligibility of an applicant for such a grant shall be determined by comparing estimated average household user fees for water and sewer service, for debt service and operation and maintenance costs, to one and one-half percent (1.5%) of the median household income in the local government unit in which the project is located. The projects which would require estimated average household water and sewer user fees greater than one and one-half percent (1.5%) of the median household income are defined as high-unit cost wastewater projects and will be eligible for a grant equal to the excess cost, subject to the limitations in subdivision (a)(2) of this section. However, if the applicant upon completion of the project will have only a single utility service, then the eligibility of the applicant for such a grant shall be determined by comparing estimated average household user fees for the single utility service that will be offered, for debt service and operation and maintenance costs, to three-fourths percent (3/4%) of the median household income in the local government unit in which the project is located. The single utility projects which would require estimated average household water or sewer user fees (as appropriate) greater than three-fourths percent (3/4%) of the median household income are defined as high-unit cost wastewater projects and will be eligible for a grant equal to the excess cost, subject to the limitations in subdivision (a)(2) of this section.

(3) Emergency Wastewater Revolving Loan Account. -- The funds in the Emergency Wastewater Revolving Loan Account shall be available for revolving emergency loans to applicants in the event the Environmental Management Commission certifies that a serious public health hazard, related to the inadequacy of existing wastewater facilities, is present or imminent in a community."

PART XV. DEPARTMENT OF COMMERCE

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

REGIONAL ECONOMIC DEVELOPMENT COMMISSION ALLOCATIONS

Section 15. Section 16.11 of S.L. 1997-443 reads as rewritten:

"Section 16.11. (a) Funds appropriated in this act to the Department of Commerce for regional economic development commissions shall be allocated to the following commissions in accordance with subsection (b) of this section: Western North Carolina Regional Economic Development Commission, Research Triangle Regional Commission,

Southeastern North Carolina Regional Economic Development Commission, Piedmont Triad Partnership, Northeastern North Carolina Regional Economic Development Commission, Global TransPark Development Commission, and Carolinas Partnership, Inc.

(b) Funds appropriated pursuant to subsection (a) of this section shall be allocated to each regional economic development commission as follows:

(1) First, the Department shall establish each commission's allocation by determining the sum of allocations to each county that is a member of that commission. Each county's allocation shall be determined by dividing the county's enterprise factor by the sum of the enterprise factors for eligible counties and multiplying the resulting percentage by the amount of the appropriation. As used in this subdivision, the term "enterprise factor" means a county's enterprise factor as calculated under G.S. 105-129.3;

(2) Next, the Department shall subtract from funds allocated to the Global TransPark Development Zone the sum of two hundred ~~seventy-six thousand nine hundred twenty-three dollars ($276,923)~~ eighty thousand five hundred two dollars ($280,502) ~~in each fiscal year,~~ in the 1998-99 fiscal year, which sum represents the interest earnings in each fiscal year on the estimated balance of seven million five hundred thousand dollars ($7,500,000) appropriated to the Global TransPark Development Zone in Section 6 of Chapter 561 of the 1993 Session Laws; and

(3) Next, the Department shall redistribute the sum of two hundred ~~seventy-six thousand nine hundred twenty-three dollars ($276,923)~~ eighty thousand five hundred two dollars ($280,502) ~~in each fiscal year~~ in the 1998-99 fiscal year to the seven regional economic development commissions named in subsection (a) of this section. Each commission's share of this redistribution shall be determined according to the enterprise factor formula set out in subdivision (1) of this subsection. This redistribution shall be in addition to each commission's allocation determined under subdivision (1) of this subsection.

(c) Of the funds appropriated in this act to the Department of Commerce for allocation to Regional Economic Development Commissions, the sum of two hundred twenty-five thousand dollars ($225,000) for the 1998-99 fiscal year shall be allocated to the Southeastern North Carolina Regional Economic Development Commission as follows:

(1) $150,000 for the purchase of land and an office building; and

(2) $75,000 to enhance recruiting and promotion of the film industry in the region.

These funds shall be in addition to funds allocated under subsections (a) and (b) of this section."

Requested by: Senators Cooper, Ballance

INDUSTRIAL RECRUITMENT COMPETITIVE FUND

Section 15.1. Of the funds appropriated in this act to the Department of Commerce for the Industrial Recruitment Competitive Fund, the sum of up to two million dollars ($2,000,000) for the 1998-99 fiscal year shall be used to recruit a large recycling facility, as defined in G.S. 105-129.25, that meets all of the requirements of G.S. 105-129.26(b), as provided for in S.L. 1998-55.

Requested by: Senators Plyler, Perdue, Odom, Representatives Mitchell, Baker, Carpenter

MARKETING OF GLOBAL TRANSPARK BY DEPARTMENT OF COMMERCE

Section 15.2. The Division of Business and Industry of the Department of Commerce shall assume responsibility for the marketing of the North Carolina Global TransPark. Funds designated in the Department's budget for marketing of the North Carolina Global TransPark shall remain in the Department and shall be used by the Division to carry out this purpose.

Requested by: Senators Perdue, Warren, Albertson, Representatives Mitchell, Baker, Carpenter, Hardy, Hunter, Preston

HISTORIC WATERFRONT REVITALIZATION

Section 15.2B. (a) Planning Grants. -- The four hundred thousand dollars ($400,000) appropriated to the Department of Commerce for the 1998-99 fiscal year for historic waterfront revitalization shall be allocated as follows:

Town of Murfreesboro	$100,000
Washington County for the Washington County Economic Development Commission	50,000
City of Washington	50,000
Beaufort County	50,000
Town of Swansboro	50,000
City of Jacksonville	50,000
Hyde County	25,000
Tyrrell County	25,000.

A proposed revitalization project is eligible for a planning grant under this section if both of the following conditions are satisfied:

(1) The proposed revitalization project is located in a National Register Historic District or includes the rehabilitation of a certified historic structure as defined in G.S. 105-130.42.

(2) The area of the proposed revitalization project is either contiguous to a navigable waterway or connected to a navigable waterway by a pedestrian walkway or alternative vehicular access trail that is natural, historically significant, or both.

(b) Technical Assistance. -- The Department of Commerce is encouraged to provide technical assistance to eligible grant recipients under subsection (a) of this section in preparing State and federal grant and loan applications with respect to the proposed revitalization project.

(c) Reports. -- The Department of Commerce shall report annually to the Joint Legislative Commission on Governmental Operations and to the House of Representatives Appropriations Subcommittee on Natural and Economic Resources and the Senate Appropriations Committee on Natural and Economic Resources on the grants awarded to and assistance provided under this section with respect to proposed historic waterfront revitalization projects, including information regarding to whom grants were made, in what amounts, and for what projects.

Requested by: Representatives Mitchell, Baker, Carpenter, Hall

COMPETITIVE GOVERNMENT INITIATIVE

Section 15.2C. (a) The General Statutes are amended by adding a new Chapter to read:

"Chapter 143C.

"North Carolina Government Competition Act of 1998.

"§ 143C-1. Short title.

This Chapter shall be known and may be cited as the `North Carolina Government Competition Act of 1998'.

"§ 143C-2. Definitions.

As used in this Chapter, unless the context requires otherwise:

(1) `Commission' means the North Carolina Government Competition Commission.

(2) `State agency' means any State department, agency, or institution.

"§ 143C-3. North Carolina Government Competition Commission created; duties.

(a) The North Carolina Government Competition Commission is created within the Department of Commerce. The Commission shall exercise its powers independently of the Secretary of Commerce and shall be subject to the direction and supervision of the Secretary of Commerce only with respect to the management functions of coordination and reporting. The purpose of the Commission is to be the catalyst for the use of competition to improve the delivery of State government services, to make State government more effective and more efficient, and to reduce the costs of government to taxpayers.

(b) The Commission shall:

(1) Develop an institutional framework for a statewide competition initiative to encourage innovation and competition within State government.

(2) Establish a system to encourage the use of feasibility studies and innovation to determine where competition could reduce government costs without adversely affecting essential services.

(3) Monitor the activities, products, and services of State agencies to bring an element of competition and to ensure a spirit of innovation and entrepreneurship to compete with the private sector to increase the quality of services or reduce costs to taxpayers.

(4) Identify any barriers to competition in State government and recommend actions to overcome those barriers.

(5) Promote acceptance of competition by State government officials and State employees as a viable alternative to in-house operations for delivering State government services where savings to the State may be realized through competition, including the development and implementation of State employee adjustment and incentive programs.

(6) Advocate, develop, and accelerate implementation of a competitive program for State agencies to ensure competition for the provision or production of government services from both public sector and private sector entities.

(7) Establish approval, planning, and reporting processes required to carry out the functions of the Commission.

(8) Determine the competition potential of a State program or activity, perform cost and benefit analyses, and conduct public and private competition analyses.

(9) Devise evaluation criteria to be used in conducting performance reviews of any State program or activity that is subject to a competition recommendation.

(10) Assess the short-term and long-term results of State government competition efforts.

(11) Appoint, as needed, ad hoc committees relating to specific matters within the Commission's purview.

"§ 143C-4. Membership; appointment; terms; vacancies; chair; quorum; compensation.

(a) The Commission shall be composed of nine members to be appointed as follows:

(1) Three members appointed by the Governor, one of whom shall be a State employee and two of whom shall be members of the private sector. One of these private sector members shall have large-scale purchasing experience.

(2) Three members appointed by the Speaker of the House of Representatives, two of whom shall be members of the private sector and one of whom shall be a State employee.

(3) Three members appointed by the President Pro Tempore of the Senate, two of whom shall be members of the private sector and one of whom shall be a State employee.

Members of the Commission shall serve two-year terms. In making the initial appointments to the Commission, the respective appointing authorities shall appoint at least one member for a one-year term so that subsequent terms stagger.

(b) All initial appointments shall become effective July 1, 1998. The initial members' terms shall end on June 30 of the applicable year in which a term expires, with the subsequent term beginning on July 1 of that year. No member may serve more than two consecutive terms. Vacancies shall be filled by the appointing authority for any unexpired portion of a term. Members shall receive subsistence, per diem, and travel allowances as provided by G.S. 138-5.

(c) A majority of the members shall constitute a quorum. The Commission shall annually elect its chair and vice-chair from among its members.

(d) The Commission shall appoint an executive director and other necessary staff within funds available to it.

"§ 143C-5. Cooperation of other State agencies.

All State agencies shall cooperate with the Commission and, upon request, assist the Commission in the performance of its duties and responsibilities. The Commission shall not impose unreasonable burdens or costs in connection with requests of State agencies.

"§ 143C-6. Application for and acceptance of certain gifts and grants; authority to enter into contract; applicability of State purchasing laws.

(a) The Commission may apply for, accept, and expend gifts, grants, or donations from governmental sources or from private nonprofit foundations organized for taxation purposes under section 501(c)(3) of the Internal Revenue Code to enable it to better carry out its objectives. No entity that provides a gift, donation, or grant shall be eligible for a contract award that results from action of a Commission recommendation.

(b) The Commission may contract for professional or consultant service. Any consultant awarded a contract shall be ineligible for a contract award resulting from the consultant's recommendations.

(c) The Commission is subject to the provisions of Articles 3, 3C, and 3D of Chapter 143 of the General Statutes.

"§ 143C-7. Public-private competition analysis; proposals for competition.

(a) The Governor, the General Assembly, or the Commission may direct a State agency to perform a public-private competition analysis covering any service for which the Commission has received from a private entity a qualifying unsolicited proposal for

competition that is consistent with the Commission's purposes and duties as provided in this Chapter.

(b) The Commission may solicit competition proposals from private entities for the purposes of making cost-comparison analyses. Any State agency may submit proposals to the Commission for cost-comparison analyses.

(c) If a service contract is awarded to a private vendor as a result of a recommendation by the Commission, cancellation of the contract requires the prior approval of both the Commission and the Division of Purchase and Contract. The Commission's executive director may act on behalf of the Commission under this subsection pursuant to rules adopted by the Commission.

"§ 143C-8. Duties of the Office of State Budget and Management.

The Office of State Budget and Management shall determine the amount of an existing appropriation that would no longer be needed by a State agency as the result of savings realized through competition and shall report annually, by February 1, the nature and amount of the savings to the Governor and to the Joint Legislative Commission on Governmental Operations.

"§ 143C-9. Reports to the Governor and General Assembly.

The Commission shall report annually, by February 1, its findings and recommendations to the Governor and the Joint Legislative Commission on Governmental Operations and may make other interim reports it deems advisable."

(b) Funds appropriated in this act to the Department of Commerce for the Competitive Government Initiative shall be used by the Department to implement this section.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter, Hall

RURAL TOURISM DEVELOPMENT GRANT PROGRAM

Section 15.3. Of the funds appropriated in this act to the Department of Commerce, the sum of three hundred thousand dollars ($300,000) for the 1998-99 fiscal year shall be allocated for the Rural Tourism Development Grant Program. The Department shall establish and implement this Program to provide grants to local governments and nonprofit organizations to encourage the development of new tourism projects and activities in rural areas of the State. The Department shall develop procedures for the administration and distribution of funds allocated to the Rural Tourism Development Grant Program under the following guidelines:

(1) Eligible organizations shall make application under procedures established by the Department;

(2) Eligible organizations shall be nonprofit tourism-related organizations located in the State's rural regions;

(3) Priority shall be given to eligible organizations that have significant involvement of travel- and tourism-related businesses;

(4) Priority shall be given to eligible organizations serving economically distressed rural counties;

(5) Priority shall be given to eligible organizations that match funds; and

(6) Funds shall not be used for renting or purchasing land or buildings or for financing debt.

No recipient or new tourism project shall receive a total of more than fifty thousand dollars ($50,000) of these grant funds for the 1998-99 fiscal year.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

GREAT SMOKY MOUNTAINS SPECIAL LICENSE PLATE

Section 15.4. (a) G.S. 20-63(b) reads as rewritten:

"(b) Every license plate shall have displayed upon it the registration number assigned to the vehicle for which it is issued, the name of the State of North Carolina, which may be abbreviated, and the year number for which it is issued or the date of expiration. A plate issued for a commercial vehicle, as defined in G.S. 20-4.2(1), must bear the word "commercial," unless the plate is a special registration plate authorized in G.S. 20-79.4 or the commercial vehicle is a trailer or is licensed for 6,000 pounds or less.

A registration plate issued by the Division for a private passenger vehicle or for a private hauler vehicle licensed for 6,000 pounds or ~~less~~ less, other than a Friends of the Great Smoky Mountains National Park special registration plate, shall be a "First in Flight" plate. A "First in Flight" plate shall have the words "First in Flight" printed at the top of the plate above all other letters and numerals. The background of the plate shall depict the Wright Brothers biplane flying over Kitty Hawk Beach, with the plane flying slightly upward and to the right."

(b) The Great Smoky Mountains National Park special registration plate shall have the words "First in Flight" printed at the top of the plate above all other letters and numerals. The background of the plate shall be the full art, three-color design submitted to the Division by Friends of the Great Smoky Mountains National Park in camera-ready format. The background color and design shall allow numbers on the face of the plate to be readily distinguished. Submission to the Division of the background design authorized under this subsection shall be the final design and, upon acceptance by the Division, no further changes in the background design shall be made.

Requested by: Senators Plyler, Odom, Perdue, Lee, Martin of Pitt

NC SEAFOOD INDUSTRIAL PARK AUTHORITY REVISIONS

Section 15.5. (a) G.S. 113-315.28 reads as rewritten:

"§ 113-315.28. Purposes of Authority.

Through the Authority hereinbefore created, the State of North Carolina may engage in promoting, developing, constructing, equipping, maintaining and operating the seafood industrial parks within the State, or within the jurisdiction of the State, and works of internal improvements incident thereto, including the acquisition or construction, maintenance and operation as such seafood industrial parks of watercraft and facilities thereon or essential for the proper operation thereof. Said Authority is created as an instrumentality of the State of North Carolina for the accomplishment of the following general purposes:

(1) To develop and improve the Wanchese Seafood Industrial Park, and such other places, including inland ports and facilities, as may be deemed feasible for a more expeditious and efficient handling of seafood commerce from and to any place or places in the State of North Carolina and other states and foreign countries;

(2) To acquire, construct, equip, maintain, develop and improve the port facilities at said parks and to improve such portions of the waterways thereat as are within the jurisdiction of the federal ~~government;~~ government and the waterways connecting the Wanchese Seafood Industrial Park with the channels of commerce of the Atlantic Ocean, consistent with the project designed by the United States Army Corps of Engineers pursuant to the Manteo (Shallowbag) Bay navigation

project as authorized in the Rivers and Harbors Act of 1970 (P.L. 91-611);

(3) To foster and stimulate the shipment of seafood commerce through said ports, whether originating within or without the State of North Carolina, including the investigation and handling of matters pertaining to all transportation rates and rate structures affecting the same;

(4) To cooperate with the United States of America and any agency, department, corporation or instrumentality thereof in the maintenance, development, improvement and use of said seafood ~~harbors;~~ harbors and the waterways connecting the parks with the channels of commerce of the Atlantic Ocean;

(5) To accept funds from any of said counties or cities wherein said ports are located and to use the same in such manner, within the purposes of said Authority, as shall be stipulated by the said county or city, and to act as agent or instrumentality, of any of said counties or cities in any matter coming within the general purposes of said Authority;

(5a) To encourage and develop the general maritime and marine-related industries and activities at or in the vicinity of the seafood industrial parks;

(6) And in general to do and perform any act or function which may tend to be useful toward the development and improvement of seafood industrial parks of the State of North Carolina, and to increase the movement of waterborne seafood commerce, foreign and domestic, to, through, and from said seafood industrial parks.

The enumeration of the above purposes shall not limit or circumscribe the broad objective of developing to the utmost the seafood possibilities of the State of North Carolina."

(b) G.S. 113-315.32 reads as rewritten:

"§ 113-315.32. Power of eminent domain.

For the acquiring of rights-of-way and property necessary for the construction of wharves, piers, ships, docks, quays, elevators, compresses, refrigerator storage plants, warehouses and other riparian and littoral terminals and structures and approaches ~~thereto~~ thereto, including the navigation stabilization structures recommended by the United States Army Corps of Engineers pursuant to the authorization in United States Public Law 91-611, and transportation facilities needful for the convenient use of same, the Authority shall have the right and power to acquire the same by purchase, by negotiation, or by condemnation, and should it elect to exercise the right of eminent domain, condemnation proceedings shall be maintained by and in the name of the Authority, and it may proceed in the manner provided ~~by the general laws of the State of North Carolina for the procedure by any county, municipality or authority organized under the laws of this State.~~ for the Board of Transportation by Article 9 of Chapter 136 of the General Statutes. The power of eminent domain shall not apply to property of persons, State agency or corporations already devoted to public ~~use.~~ use, other than lands subject to the power of eminent domain by the State of North Carolina in the reservation clauses of a deed recorded in the Dare County Registry at Book 79 Page 548."

(c) The State of North Carolina shall not be obligated to match any federal funds available for construction for the stabilization of the Oregon Inlet at a ratio greater than 80:20 federal funds to State funds.

Requested by: Representatives Mitchell, Baker, Carpenter, Bowie

October 26, 1998

OREGON INLET STABILIZATION STUDY COMMISSION

Section 15.5A. (a) Section 32.22 of S.L. 1997-443 is repealed.

(b) There is created the Oregon Inlet Stabilization Study Commission, an independent study commission, to continue the investigations undertaken by the Legislative Research Commission's Oregon Inlet Stabilization Study Committee during the 1997-98 interim as authorized by Section 32.22 of S.L. 1997-443.

The membership and chairmanship of the Study Commission shall be the same as that of the former Study Committee. Vacancies shall be filled by the person who made the initial appointment. Members of the Commission shall receive subsistence and travel allowances in accordance with G.S. 120-3.1 or G.S. 138-5, as appropriate.

The Study Commission may hold hearings to receive public input on the potential benefits and costs to the State of stabilizing the inlet and consider alternative procedures and actions for the stabilization of the inlet along with the environmental, economic, governmental, and cultural costs and benefits that may result from the stabilization.

In analyzing the benefits and costs of stabilizing the Oregon Inlet, the Study Commission may employ the expertise of the Departments of Environment and Natural Resources, Transportation, and Justice and may solicit the assistance of the United States Army Corps of Engineers and any other federal or State agencies that might assist the study.

Upon approval of the Legislative Services Commission, the Legislative Services Officer shall assign appropriate professional staff from the Legislative Services Office of the General Assembly to assist with the study. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to the Commission, upon the direction of the Legislative Services Commission. The Commission may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission.

The Study Commission may consider any of the following:

(1) Continuation of the study beyond the current biennium until the issues surrounding the stabilization of the Oregon Inlet are finally resolved.

(2) Additional detailed studies of the benefits and costs of stabilizing the Oregon Inlet including a long-range plan for the stabilization of the inlet and a projection for the State's future costs of participation in that stabilization.

(3) Necessary statutory changes needed to implement any planned inlet stabilization.

(4) Alternatives to the stabilization of the Oregon Inlet.

(5) Funding sources for any stabilization projects or studies.

The Commission shall submit an interim or final report with any recommendations to the 1999 Session of the General Assembly prior to the adjournment of that session. The Commission may meet during the 1999 Session of the General Assembly at any time when neither the House of Representatives nor the Senate are in session.

The Commission shall terminate upon the issuance of its final report.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

WORKER TRAINING TRUST FUND APPROPRIATIONS

Section 15.6A. Section 16 of Chapter 443 of the 1997 Session Laws reads as rewritten:

"Section 16. (a) There is appropriated from the Worker Training Trust Fund to the Employment Security Commission of North Carolina the sum of six million six hundred eighty-nine thousand nine hundred sixty-four dollars ($6,689,964) for the 1997-98 fiscal year and the sum of ~~six million six hundred eighty-nine thousand nine hundred sixty-four dollars ($6,689,964)~~ seven million twenty-one thousand three hundred seventy-four dollars ($7,021,374) for the 1998-99 fiscal year for the operation of local offices.

(b) Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from the Worker Training Trust Fund to the following agencies the following sums for the 1997-98 and the 1998-99 fiscal years for the following purposes:

(1) $2,400,000 for the 1997-98 fiscal year and ~~$2,400,000~~ $2,050,000 for the 1998-99 fiscal year to the Department of Commerce, Division of Employment and Training, for the Employment and Training Grant Program;

(2) $1,000,000 for the 1997-98 fiscal year and $1,000,000 for the 1998-99 fiscal year to the Department of Labor for customized training of the unemployed and the working poor for specific jobs needed by employers through the Department's Bureau for Training Initiatives;

(3) $1,746,000 for the 1997-98 fiscal year and $1,746,000 for the 1998-99 fiscal year to the Department of Community Colleges to continue the Focused Industrial Training Program;

(4) $225,000 for the 1997-98 fiscal year and $225,000 for the 1998-99 fiscal year to the Employment Security Commission for the State Occupational Information Coordinating Committee to develop and operate an interagency system to track former participants in State education and training programs;

(5) $400,000 for the 1997-98 fiscal year and $400,000 for the 1998-99 fiscal year to the Department of Community Colleges for a training program in entrepreneurial skills to be operated by North Carolina REAL Enterprises;

(6) $50,000 for the 1997-98 fiscal year and $50,000 for the 1998-99 fiscal year to the Office of State Budget and Management to maintain compliance with Chapter 96 of the General Statutes, which directs the Office of State Budget and Management to employ the Common Follow-Up Management Information System to evaluate the effectiveness of the State's job training, education, and placement programs;

(7) $500,000 for the 1997-98 fiscal year and $1,000,000 for the 1998-99 fiscal year to the Department of Labor to expand the Apprenticeship Program. It is intended that the appropriation of funds in this subdivision will result in the Department of Labor serving a benchmark performance level of 10,000 adult and youth apprentices by the year 2000; and

(8) $100,000 for the 1997-98 fiscal year and $100,000 for the 1998-99 fiscal year to the State Board of Education for the Teacher Apprenticeship Program.

The State Board of Education may use funds appropriated from the Worker Training Trust Fund in this subdivision to design and implement a public school teacher apprenticeship program.

(9) $350,000 for the 1998-99 fiscal year to the Department of Community Colleges for the Hosiery Technology Center of North Carolina. It is

the intent of the General Assembly that the Center operate in subsequent fiscal years without any special or supplemental funding."

Requested by: Senators Martin of Pitt, Plyler, Perdue, Odom, Representatives Mitchell, Baker, Carpenter

YEAR 2000 CLARIFICATIONS

Section 15.7. Section 28.1 of S.L. 1997-443 reads as rewritten:

"Section 28.1. ~~(a) The Office of State Controller shall include in its charges for data processing services costs of converting computer applications to operate properly at the turn of the century~~. The Department of Commerce shall not reduce rates for data processing services for the first six months of the 1998-99 fiscal year. If at the end of the first six months the Department determines that additional Year 2000 funds for the 1998-99 fiscal year are not needed from data processing services reserve funds, then the Department may reduce data processing services rates upon approval of the reduction by the Information Resources Management Commission. The State Controller Department shall develop and maintain procedures for managing the year 2000 conversion.

(b) The ~~State Controller~~ Department of Commerce shall analyze the needs of State agencies for funds to convert their systems. In the course of the analysis, the ~~State Controller~~ Department shall consider an agency's need for each system it wishes to convert and the most cost-effective manner in which to manage conversion. The ~~State Controller~~ Department shall certify to the Office of State Budget and Management the cost of each State agency for the year 2000 conversion.

~~(c) The Director of the Budget may use up to twenty-five million dollars ($25,000,000) of projected 1997-98 General Fund reversions to cover the cost of the year 2000 conversion in General Fund agencies during the 1997-98 fiscal year.~~

~~(d) Beginning October 1, 1997, and quarterly thereafter, the Office of State Controller shall report to the Joint Legislative Commission on Governmental Operations on the status of the conversion and cost projections.~~"

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford

YEAR 2000 RESERVE FUND

Section 15.7A. (a) Section 1 of S.L. 1998-9 reads as rewritten:

"Section 1. There is appropriated from the General Fund to the Department of Commerce, Year 2000 Reserve Fund, the sum of twenty million five hundred six thousand three hundred sixty-seven dollars ($20,506,367) for the 1997-98 fiscal year to cover the costs of the year 2000 conversion in General Fund and Highway Fund agencies during the 1997-99 fiscal biennium."

(b) Section 17 of S.L. 1998-23 is repealed.

(c) This section becomes effective June 30, 1998.

Requested by: Senator Martin of Pitt, Representatives Mitchell, Baker, Carpenter

NORTH CAROLINA INFORMATION HIGHWAY

Section 15.8. Section 28 of S.L. 1997-443 reads as rewritten:

"Section 28. (a) The funds appropriated in this act to the ~~Office of State Controller~~ Department of Commerce for the operation of the North Carolina Information Highway shall be used only for costs incurred by the ~~Office of State Controller~~ Department related to the operations and support of the North Carolina Information Highway. No funds appropriated in this act shall be expended to pay Minimum Monthly usage charges for North Carolina Information Highway Services.

~~(b) The Office of State Controller may use the two hundred twenty-four thousand dollars ($224,000) in savings that accrued in fiscal year 1996-97 to fund new sites in fiscal year 1997-98.~~

~~(c) The Office of State Controller is encouraged to consider new technologies and capabilities as a means of providing NCIH users access to the existing ATM-SONET network. The Office of State Controller shall report to the General Assembly in 1998 before the reconvening of the regular session on its findings.~~

~~(d) The State Controller shall report quarterly to the Joint Legislative Commission on Governmental Operations regarding the costs incurred by the Office of State Controller related to the operations and support of the North Carolina Information Highway.~~

~~(e) Given the appropriations subcommittees meet in the interim, the House and Senate Appropriations Subcommittees on General Government will consider information leading to a recommendation to adopt an alternate approach to State funding of sites, effective in fiscal year 1998-99. The subcommittee is not limited to the information that may be considered and may include in the review cost-sharing measures that require sites to participate in the annual cost of network charges; the phasing-out of one hundred percent (100%) State funding of site network charges; and the cost of adding new sites with a specific period of time designated for State funding of network charges~~. The Department of Commerce shall develop a Migration Plan for converting existing and proposed North Carolina Information Highway sites to the H.320 international telecommunications standard for delivering audio and video services to participating sites. The Department shall include at a minimum the following information in the Plan:

(1) A list of sites categorized by institutional purpose to be converted under the Plan;

(2) A timeline for converting each site;

(3) The cost of conversion for each site;

(4) The estimated operating cost savings for each site post conversion;

(5) The estimated monthly and annual operating cost subsidy for each site post conversion;

(6) The estimated total recurring dollar impact to the State's budget upon full implementation of the Plan; and

(7) A detailed plan for providing connectivity or bridging between the current DV-45 proprietary standard sites and the converted H.320 international standard sites.

The Plan shall also identify any participating information highway sites that utilize telecommunication standards other than the H.320 international standard offered by the Department along with the estimated costs for providing connectivity or bridging among these sites and between these sites and the converted H.320 international standard sites. The Plan shall be submitted by December 1, 1998, to the House and Senate Appropriations Subcommittees on Natural and Economic Resources, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division."

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter, Dickson

EXTEND UNIVERSAL SERVICE RULES DEADLINE

Section 15.8B. G.S. 62-110(f1) reads as rewritten:

"(f1) Except as provided in subsection (f2) of this section, the Commission is authorized, following notice and an opportunity for interested parties to be heard, to issue a certificate to any person applying to provide local exchange or exchange access services as a public utility as defined in G.S. 62-3(23)a.6., without regard to whether local

telephone service is already being provided in the territory for which the certificate is sought, provided that the person seeking to provide the service makes a satisfactory showing to the Commission that (i) the person is fit, capable, and financially able to render such service; (ii) the service to be provided will reasonably meet the service standards that the Commission may adopt; (iii) the provision of the service will not adversely impact the availability of reasonably affordable local exchange service; (iv) the person, to the extent it may be required to do so by the Commission, will participate in the support of universally available telephone service at affordable rates; and (v) the provision of the service does not otherwise adversely impact the public interest. In its application for certification, the person seeking to provide the service shall set forth with particularity the proposed geographic territory to be served and the types of local exchange and exchange access services to be provided. Except as provided in G.S. 62-133.5(f), any person receiving a certificate under this section shall, until otherwise determined by the Commission, file and maintain with the Commission a complete list of the local exchange and exchange access services to be provided and the prices charged for those services, and shall be subject to such reporting requirements as the Commission may require.

Any certificate issued by the Commission pursuant to this subsection shall not permit the provision of local exchange or exchange access service until July 1, 1996, unless the Commission shall have approved a price regulation plan pursuant to G.S. 62-133.5(a) for a local exchange company with an effective date prior to July 1, 1996. In the event a price regulation plan becomes effective prior to July 1, 1996, the Commission is authorized to permit the provision of local exchange or exchange access service by a competing local provider in the franchised area of such local exchange company.

The Commission is authorized to adopt rules it finds necessary (i) to provide for the reasonable interconnection of facilities between all providers of telecommunications services; (ii) to determine when necessary the rates for such interconnection; (iii) to provide for the reasonable unbundling of essential facilities where technically and economically feasible; (iv) to provide for the transfer of telephone numbers between providers in a manner that is technically and economically reasonable; (v) to provide for the continued development and encouragement of universally available telephone service at reasonably affordable rates; and (vi) to carry out the provisions of this subsection in a manner consistent with the public interest, which will include a consideration of whether and to what extent resale should be permitted.

Local exchange companies and competing local providers shall negotiate the rates for local interconnection. In the event that the parties are unable to agree within 90 days of a bona fide request for interconnection on appropriate rates for interconnection, either party may petition the Commission for determination of the appropriate rates for interconnection. The Commission shall determine the appropriate rates for interconnection within 180 days from the filing of the petition.

Each local exchange company shall be the universal service provider in the area in which it is certificated to operate on July 1, 1995, until otherwise determined by the Commission. In continuing this State's commitment to universal service, the Commission shall, by December 31, 1996, adopt interim rules that designate the person that should be the universal service provider and to determine whether universal service should be funded through interconnection rates or through some other funding mechanism. By ~~July 1, 1998,~~ July 1, 1999, the Commission shall complete an investigation and adopt final rules concerning the provision of universal services, the person that should be the universal service provider, and whether universal service should be funded through interconnection rates or through some other funding mechanism.

The Commission shall make the determination required pursuant to this subsection in a manner that furthers this State's policy favoring universally available telephone service at reasonable rates."

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

FUNDS FOR CERTIFIED ECONOMIC DEVELOPMENT TRAINING

Section 15.8C. Notwithstanding G.S. 143-16.3, of the funds appropriated in this act to the Department of Commerce, the Department may use up to twenty-five thousand dollars ($25,000) to provide economic developers with Certified Economic Development (CED) training, the nationally recognized training standard for economic development professionals.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

FUNDS FOR TECHNOLOGICAL DEVELOPMENT AUTHORITY WET LAB AND OFFICE SPACE CONSTRUCTION

Section 15.9. Of the funds appropriated in this act to the Department of Commerce for the North Carolina Technological Development Authority, Inc., the sum of five hundred thousand dollars ($500,000) for the 1998-99 fiscal year shall be used to cover part of the cost of constructing a wet lab and office space. The Department shall place these funds in a reserve and shall not allocate any funds until the North Carolina Technological Development Authority, Inc., has secured all financing necessary to cover the total cost of constructing the wet lab and office space.

Requested by: Senator Martin of Pitt

NORTH CAROLINA GLOBAL CENTER REPORT

Section 15.10. The North Carolina Global Center shall:

(1) By March 15, 1999, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:
   a. State fiscal year 1997-98 program activities, objectives, and accomplishments;
   b. State fiscal year 1997-98 itemized expenditures and fund sources;
   c. State fiscal year 1998-99 planned activities, objectives, and accomplishments including actual results through December 31, 1998; and
   d. State fiscal year 1998-99 estimated itemized expenditures and fund sources including actual expenditures and fund sources through December 31, 1998.

(2) Provide to the Fiscal Research Division a copy of the organization's annual audited financial statement within 30 days of issuance of the statement.

Requested by: Senator Martin of Pitt, Representatives Mitchell, Baker, Carpenter

NORTH CAROLINA INSTITUTE OF MINORITY ECONOMIC DEVELOPMENT, INC./REPORT

Section 15.11. The North Carolina Institute of Minority Economic Development, Inc., shall:

(1) By January 15, 1999, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:
   a. State fiscal year 1997-98 program activities, objectives, and accomplishments;
   b. State fiscal year 1997-98 itemized expenditures and fund sources;
   c. State fiscal year 1998-99 planned activities, objectives, and accomplishments including actual results through December 31, 1998; and
   d. State fiscal year 1998-99 estimated itemized expenditures and fund sources including actual expenditures and fund sources through December 31, 1998.

(2) Provide to the Fiscal Research Division a copy of the organization's annual audited financial statement within 30 days of issuance of the statement.

Requested by: Senator Martin of Pitt, Representatives Mitchell, Baker, Carpenter

LAND LOSS PREVENTION PROJECT, INC./REPORT

Section 15.12. The Land Loss Prevention Project, Inc., shall:

(1) By January 15, 1999, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:
   a. State fiscal year 1997-98 program activities, objectives, and accomplishments;
   b. State fiscal year 1997-98 itemized expenditures and fund sources;
   c. State fiscal year 1998-99 planned activities, objectives, and accomplishments including actual results through December 31, 1998; and
   d. State fiscal year 1998-99 estimated itemized expenditures and fund sources including actual expenditures and fund sources through December 31, 1998.

(2) Provide to the Fiscal Research Division a copy of the organization's annual audited financial statement within 30 days of issuance of the statement.

Requested by: Senator Martin of Pitt

NORTH CAROLINA COALITION OF FARM AND RURAL FAMILIES, INC., REPORT

Section 15.13. The North Carolina Coalition of Farm and Rural Families, Inc., shall:

(1) By January 15, 1999, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:
   a. State fiscal year 1997-98 program activities, objectives, and accomplishments;
   b. State fiscal year 1997-98 itemized expenditures and fund sources;

c. State fiscal year 1998-99 planned activities, objectives, and accomplishments including actual results through December 31, 1998; and

d. State fiscal year 1998-99 estimated itemized expenditures and fund sources including actual expenditures and fund sources through December 31, 1998.

(2) Provide to the Fiscal Research Division a copy of the organization's annual audited financial statement within 30 days of issuance of the statement.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

NORTH CAROLINA MINORITY SUPPORT CENTER REPORT

Section 15.14. The North Carolina Minority Support Center shall:

(1) By January 15, 1999, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:

a. State fiscal year 1997-98 program activities, objectives, and accomplishments;

b. State fiscal year 1997-98 itemized expenditures and fund sources;

c. State fiscal year 1998-99 planned activities, objectives, and accomplishments including actual results through December 31, 1998; and

d. State fiscal year 1998-99 estimated itemized expenditures and fund sources including actual expenditures and fund sources through December 31, 1998.

(2) Provide to the Fiscal Research Division a copy of the organization's annual audited financial statement within 30 days of issuance of the statement.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

WORLD TRADE CENTER OF NORTH CAROLINA/REPORT

Section 15.14B. The World Trade Center of North Carolina shall:

(1) By January 15, 1999, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:

a. State fiscal year 1997-98 program activities, objectives, and accomplishments;

b. State fiscal year 1997-98 itemized expenditures and fund sources;

c. State fiscal year 1998-99 planned activities, objectives, and accomplishments including actual results through December 31, 1998; and

d. State fiscal year 1998-99 estimated itemized expenditures and fund sources including actual expenditures and fund sources through December 31, 1998.

(2) Provide to the Fiscal Research Division a copy of the organization's annual audited financial statement within 30 days of issuance of the statement.

Requested by: Senators Martin of Pitt, Dannelly

COMMUNITY DEVELOPMENT INITIATIVE

Section 15.15. Of the funds appropriated in this act to the North Carolina Community Development Initiative, Inc., the sum of two hundred thousand dollars ($200,000) for the 1998-99 fiscal year shall be allocated to the Northwest Corridor CDC.

Requested by: Senators Martin of Pitt, Dannelly

CENTER FOR COMMUNITY SELF-HELP FUNDS

Section 15.16. (a) Of the funds appropriated in this act to the Department of Commerce, the sum of one million dollars ($1,000,000) for the 1998-99 fiscal year shall be allocated to the Center for Community Self-Help to further a statewide program of lending for home ownership throughout North Carolina. These funds will be leveraged on a ten-to-one basis, generating at least ten dollars ($10.00) of nontraditional home loans for every one dollar ($1.00) of State funds. Payments of principal shall be available for further loans or loan guarantees.

(b) The Center for Community Self-Help shall submit, within 180 days after the close of its fiscal year, audited financial statements to the State Auditor. All records pertaining to the use of State funds shall be made available to the State Auditor upon request. The Center for Community Self-Help shall make quarterly reports on the use of State funds to the State Auditor in form and format prescribed by the State Auditor or his designee. The Center for Community Self-Help shall make a written report by May 1 of each year for the next three years to the General Assembly on the use of the funds allocated under this section.

(c) The Center for Community Self-Help shall report to the Joint Legislative Commission on Governmental Operations, the House Appropriations Subcommittee on Natural and Economic Resources, the Senate Appropriations Committee on Natural and Economic Resources, and the Department of Commerce on a quarterly basis for the next three years.

(d) The Office of the State Auditor may conduct an annual end-of-year audit of the revolving fund for economic development lending created by this appropriation for each year of the life of the revolving fund.

(e) If the Center for Community Self-Help dissolves, the corporation shall transfer the remaining assets of the revolving fund to the State and shall refrain from disposing of the revolving fund assets without approval of the State Treasurer.

(f) The Department of Commerce shall disburse this appropriation within 15 working days of the receipt of a request for the funds from the Center for Community Self-Help. The request shall include a commitment of the leveraged funds by the Center for Community Self-Help or its affiliates.

Requested by: Senator Martin of Pitt, Representatives Mitchell, Baker, Carpenter

MCNC

Section 15.17. Section 16.21 of S.L. 1997-443 reads as rewritten:

"Section 16.21. (a) MCNC shall report on all of its programs including contractual services for the Supercomputer and the Research and Education Network. The reports shall:

(1) By January 15, 1998, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:

a. State fiscal year 1996-97 program activities, objectives, and accomplishments;

b. State fiscal year 1996-97 itemized expenditures and fund sources;

c. State fiscal year 1997-98 planned activities, objectives, and accomplishments including actual results through December 31, 1997;

d. State fiscal year 1997-98 estimated itemized expenditures and fund sources including actual expenditures and fund sources through December 31, 1997.

e. The users, major projects and benefits resulting from the activities of the Supercomputer and the Research and Education Network.

f. The organization's progress toward achieving self-sufficiency by July 1, 1999.

(2) By January 15, 1999, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:

a. State fiscal year 1997-98 program activities, objectives, and accomplishments;

b. State fiscal year 1997-98 itemized expenditures and fund sources;

c. State fiscal year 1998-99 planned activities, objectives, and accomplishments including actual results through December 31, 1998;

d. State fiscal year 1998-99 estimated itemized expenditures and fund sources including actual expenditures and fund sources through December 31, 1998.

e. The users, major projects and benefits resulting from the activities of the Supercomputer and the Research and Education Network.

f. The organization's progress toward achieving self-sufficiency by July 1, 1999.

(3) Provide to the Fiscal Research Division a copy of MCNC's annual audited financial statement within 30 days of issuance of the statement.

(b) The funds appropriated in this act to MCNC shall be used as follows:

	FY 1997-98	FY 1998-99
Electronic and Information Technologies Programs	$4,500,000	~~$2,500,000~~ $4,500,000

(c) Of the funds appropriated for the Electronic and Information Technologies Programs, four million five hundred thousand dollars ($4,500,000) for the 1997-98 fiscal year and ~~two~~ four million five hundred thousand dollars ~~($2,500,000)~~ ($4,500,000) for the 1998-99 fiscal year is contingent upon a dollar-for-dollar match in non-State funds.

(d) It is the intent of the General Assembly that State funds shall not be appropriated for MCNC in fiscal years 1999-2000 and beyond."

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

RURAL ECONOMIC DEVELOPMENT CENTER

Section 15.18. Section 16.24 of S.L. 1997-443 reads as rewritten:

"Section 16.24. (a) Of the funds appropriated in this act to the Rural Economic Development Center, Inc., the sum of one million two hundred seventy thousand dollars ($1,270,000) for the 1997-98 fiscal year and the sum of one million ~~two~~ five hundred ~~seventy~~ seven thousand three hundred thirty-eight dollars ~~($1,270,000)~~ ($1,507,338) for the 1998-99 fiscal year shall be allocated as follows:

	1997-98 FY	1998-99 FY
Research and Demonstration Grants	$475,864	~~$475,864~~ 525,864
Technical Assistance and Center Administration of Research and Demonstration Grants	444,136	444,136
Center Administration, Oversight, and Other Programs	350,000	~~350,000~~ 537,338

(a1) Of the funds allocated under subsection (a) of this section for Research and Development Grants, the sum of thirty-five thousand dollars ($35,000) shall be allocated to the Fisheries Development Foundation for mariculture activities.

(b) The Rural Economic Development Center, Inc., shall provide a report containing detailed budget, personnel, and salary information to the Office of State Budget and Management in the same manner as State departments and agencies in preparation for biennium budget requests.

(c) Not more than fifty percent (50%) of the interest earned on State funds appropriated to the Rural Economic Development Center, Inc., may be used by the Center for administrative purposes, including salaries and fringe benefits.

(d) For purposes of this section, the term `community development corporation' means a nonprofit corporation:

(1) Chartered pursuant to Chapter 55A of the General Statutes;

(2) Tax-exempt pursuant to section 501(c)(3) of the Internal Revenue Code of 1986;

(3) Whose primary mission is to develop and improve low-income communities and neighborhoods through economic and related development;

(4) Whose activities and decisions are initiated, managed, and controlled by the constituents of those local communities; and

(5) Whose primary function is to act as deal-maker and packager of projects and activities that will increase their constituencies' opportunities to become owners, managers, and producers of small businesses, affordable housing, and jobs designed to produce positive cash flow and curb blight in the targeted community.

(e) Of the funds appropriated in this act to the Rural Economic Development Center, Inc., the sum of five million seven hundred fifty thousand dollars ($5,750,000) for the 1997-98 fiscal year and the sum of ~~two million four hundred~~ ten million eight hundred seventy-five thousand dollars ~~($2,400,000)~~ ($10,875,000) for the 1998-99 fiscal year shall be allocated as follows:

(1) $1,400,000 in fiscal year 1997-98 and ~~$1,200,000~~ 1,475,000 in fiscal year 1998-99 for community development grants to support development projects and activities within the State's minority communities. Any community development corporation as defined in

this section is eligible to apply for funds. The Rural Economic Development Center, Inc., shall establish performance-based criteria for determining which community development corporation will receive a grant and the grant amount. Funding shall also be allocated to the North Carolina Association of Community Development Corporations, Inc. The Rural Economic Development Center, Inc., shall allocate these funds as follows:

a. $900,000 in each fiscal year for direct grants to the local community development corporations that have previously received State funds for this purpose to support operations and project activities;

b. $250,000 in each fiscal year for direct grants to local community development corporations that have not previously received State funds;

c. ~~$200,000~~ $275,000 in fiscal year ~~1997-98~~ 1998-99 to the North Carolina Association of Community Development Corporations, Inc., to provide training, technical assistance, resource development, and support for local community development corporations statewide; of these funds, the sum of fifty thousand dollars ($50,000) shall be used to coordinate a special project targeting grassroot nonprofit organizations for economic development activities in distressed areas of Eastern North Carolina focusing on issues of infrastructure and affordable housing, and the sum of twenty-five thousand dollars ($25,000) shall be allocated to the Walnut Cove Colored School, Inc., for operational and capital needs; and

d. $50,000 in each fiscal year to the Rural Economic Development Center, Inc., to be used to cover expenses in administering this section.

(2) $250,000 in each fiscal year to the Microenterprise Loan Program to support the loan fund and operations of the Program; ~~and~~

(3) $4,100,000 for the 1997-98 fiscal year and ~~$950,000~~ $8,950,000 for the 1998-99 fiscal year shall be used for a program to provide supplemental funding for matching requirements for projects and activities authorized under this subdivision. The Center shall use these funds to make grants to local governments and nonprofit corporations to provide funds necessary to match federal grants or other grants for:

a. Necessary economic development projects and activities in economically distressed areas, ~~or~~

b. Necessary water and sewer projects and activities in economically distressed communities to address health or environmental quality problems except that funds shall not be expended for the repair or replacement of low pressure pipe wastewater systems. If a grant is awarded under this sub-subdivision, then the grant shall be matched on a dollar for dollar basis in the amount of the grant ~~awarded.~~ awarded, or

c. Projects that demonstrate alternative waste management processes for local governments. Special consideration should be given to cost-effectiveness, efficacy, management efficacy, and the ability of the demonstration project to be replicated.

The grant recipients in this subsection shall be selected on the basis of ~~need.~~ need; and

(4) $200,000 in fiscal year 1998-99 to the Capacity Building Grants Program. Grants shall be awarded to units of local government to pay all or a portion of the costs associated with the planning and writing of a grant or loan application, a capital improvement plan, or other efforts that support growth and development of rural areas.

(f) The Rural Economic Development Center, Inc., shall:

(1) By January 15, 1998, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:

a. State fiscal year 1996-97 program activities, objectives, and accomplishments;

b. State fiscal year 1996-97 itemized expenditures and fund sources;

c. State fiscal year 1997-98 planned activities, objectives, and accomplishments including actual results through December 31, 1997; and

d. State fiscal year 1997-98 estimated itemized expenditures and fund sources including actual expenditures and fund sources through December 31, 1997.

(2) By January 15, 1999, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:

a. State fiscal year 1997-98 program activities, objectives, and accomplishments;

b. State fiscal year 1997-98 itemized expenditures and fund sources;

c. State fiscal year 1998-99 planned activities, objectives, and accomplishments including actual results through December 31, 1998; and

d. State fiscal year 1998-99 estimated itemized expenditures and fund sources including actual expenditures and fund sources through December 31, 1998.

(3) Provide to the Fiscal Research Division a copy of each grant recipient's annual audited financial statement within 30 days of issuance of the statement."

PART XVA. DEPARTMENT OF LABOR

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Mitchell, Baker, Carpenter, Hunter

DEPARTMENT OF LABOR/BUDGET OVER-REALIZED INDIRECT COST RECEIPTS

Section 15A.1. The Department of Labor may budget over-realized indirect cost receipts in the 1998-99 fiscal year to fund the following:

(1) Departmental technology needs, and

(2) Costs to relocate selected Divisions of the Department of Labor to the Old Revenue Building.

PART XVI. JUDICIAL DEPARTMENT

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

IRMC REVIEW OF AOC INFORMATION TECHNOLOGY PLANS/LONG-RANGE REPORT

Section 16. (a) G.S. 143B-472.41 reads as rewritten:

"§ 143B-472.41. Information Resource Management Commission.

(a) Creation; Membership. -- The Information Resource Management Commission is created in the Department of Commerce. The Commission consists of the following members:

(1) Four members of the Council of State, appointed by the Governor.
(1a) The Secretary of State.
(2) The Secretary of Administration.
(3) The State Budget Officer.
(4) Two members of the Governor's cabinet, appointed by the Governor.
(5) One citizen of the State of North Carolina with a background in and familiarity with information systems or telecommunications, appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121.
(6) One citizen of the State of North Carolina with a background in and familiarity with information systems or telecommunications, appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121.
(7) The Chair of the Governor's Committee on Data Processing and Information Systems.
(8) The Chair of the State Information Processing Services Advisory Board.
(9) The Chair of the Criminal Justice Information Network Governing Board.
(10) The State Controller.
(11) The Director of the Administrative Office of the Courts or the Director's designee.

Members of the Commission shall not be employed by or serve on the board of directors or other corporate governing body of any information systems, computer hardware, computer software, or telecommunications vendor of goods and services to the State of North Carolina.

The two initial cabinet members appointed by the Governor and the two initial citizen members appointed by the General Assembly shall each serve a term beginning September 1, 1992, and expiring on June 30, 1995. Thereafter, their successors shall be appointed for four-year terms, commencing July 1. Members of the Governor's cabinet shall be disqualified from completing a term of service of the Commission if they are no longer cabinet members.

The appointees by the Governor from the Council of State shall each serve a term beginning on September 1, 1992, and expiring on June 30, 1993. Thereafter, their successors shall be appointed for four-year terms, commencing July 1. Members of the Council of State shall be disqualified from completing a term of service on the Commission if they are no longer members of the Council of State.

Vacancies in the two legislative appointments shall be filled as provided in G.S. 120-122.

The Commission chair shall be elected in the first meeting of each calendar year from among the appointees of the Governor from the Council of State and shall serve a term of one year. The Secretary of Commerce shall be secretary to the Commission.

No member of the Information Resource Management Commission shall vote on an action affecting solely his or her own State agency.

(b) Powers and Duties. -- The Commission has the following powers and duties:

(1) To develop, approve, and publish a statewide information technology strategy covering the current and following biennium that shall be updated annually and shall be submitted to the General Assembly on the first day of each regular session.

(2) To develop, approve, and sponsor statewide technology initiatives and to report on those initiatives in the annual update of the statewide information technology strategy.

(3) To review and approve biennially the information technology plans of the executive agencies and ~~to review and comment biennially on the information technology plans of~~ the Administrative Office of the Courts. This review shall include plans for the procurement and use of personal computers and workstations.

(4) To recommend to the Governor and the Office of State Budget and Management the relative priorities across executive agency and Administrative Office of the Courts information technology plans.

(5) To establish a quality assurance policy for all agency information technology projects, information systems training programs, and information systems documentation.

(6) To establish and enforce a quality review and expenditure review procedure for major agency information technology projects.

(7) To review and approve expenditures from appropriations made to the Office of State Budget and Management for the purpose of creating a Computer Reserve Fund.

(8) To develop and promote a policy and procedures for the fair and competitive procurement of information technology consistent with the rules of the Department of Administration and consistent with published industry standards for open systems that provide agencies with a vendor-neutral operating environment where different information technology hardware, software, and networks operate together easily and reliably.

(c) Meetings. -- The Information Resources Management Commission shall adopt bylaws containing rules governing its meeting procedures. The Information Resources Management Commission shall meet at least monthly."

(b) The Administrative Office of the Courts shall develop a strategic information systems and technology plan to both serve the courts in the present and assist the courts in adapting to future changes. The plan shall:

(1) Identify and document the information technology goals and objectives of the Judicial Department;

(2) Review and evaluate the findings and recommendations outlined in the Maddox and Ferguson report completed in September 1996;

(3) Provide an inventory of existing hardware and software in the court system statewide, including the age of and proposed replacement schedules, for personal computers, laptop computers, mainframe and

midrange computers, servers, terminals, printers, and communications infrastructure devices;

(4) Assess the effectiveness of existing computer-based applications, including the district attorney and public defender case management system, courtroom automation, the civil case processing system, and the financial management system, and outline any changes that may be needed to meet the future needs of the court system;

(5) Develop an architectural strategy and quality assurance review that is consistent with existing State standards;

(6) Identify areas where the use of information technology would improve the efficiency and effectiveness of the court system in providing services to the public;

(7) Develop a long-term implementation plan and cost analysis for the new Magistrates Criminal Information System; and

(8) Recommend alternative five-year proposals for implementing the court system's technology plan, including a cost analysis of each alternative that specifies the order of priority in which various projects should be implemented.

The Administrative Office of the Courts shall report on the strategic information systems and technology plan developed pursuant to this section to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety. The Administrative Office of the Courts shall make an interim report by April 1, 1999, and a final report by May 1, 1999.

(c) The Judicial Department may use up to the sum of five hundred thousand dollars ($500,000) in funds appropriated to the Department for the 1998-99 fiscal year to contract for consultant services in the development of the strategic information systems and technology plan required by this section. Prior to expending these funds, the Department shall report to the Joint Legislative Commission on Governmental Operations, the Chairs of the Senate and House Appropriations Committees, and the Chairs of the Senate and House Subcommittees on Justice and Public Safety on the consultant selected and the proposed uses of these funds.

(d) This section is effective when this act becomes law.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

STUDY OF PUBLIC DEFENDER PROGRAMS

Section 16.1. The Administrative Office of the Courts shall study the efficiency and cost-effectiveness of the public defender programs established in 11 judicial districts. The report shall include:

(1) A comparison outlining the number of defendants in each district represented by public defenders and privately assigned counsel by type of offense;

(2) An analysis of the average cost per defendant or case for each public defender program and a comparison of that average to payments made to privately assigned counsel in those districts;

(3) An implementation plan for potential expansion of public defender programs to additional districts, including possible locations, a cost analysis of necessary personnel and equipment to operate the programs,

and the estimate of savings to be realized in using those programs rather than providing for privately assigned counsel.

The Administrative Office of the Courts shall report the results of its study to the Chairs of the Senate and House Appropriations Committees, the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety, and the Indigent Fund Study Commission established in Section 16.5 of this act by April 1, 1999.

Requested by: Senator Gulley, Representatives Justus, Kiser, Thompson

REVISE RECIDIVISM REPORTING DATE

Section 16.2. G.S. 7A-675.3 reads as rewritten:

"§ 7A-675.3. Juvenile recidivism rates.

(a) On an annual basis, the Administrative Office of the Courts shall compute the recidivism rate of juveniles who are adjudicated delinquent for offenses that would be Class A, B1, B2, C, D, or E felonies if committed by adults and who subsequently are adjudicated delinquent or convicted and shall report the statistics to the Joint Legislative Commission on Governmental Operations by ~~December 31~~ February 15 each year.

(b) The Chief Court Counselor of each judicial district shall forward to the Administrative Office of the Courts relevant information, as determined by the Administrative Office of the Courts, regarding every juvenile who is adjudicated delinquent for an offense that would be a Class A, B1, B2, C, D, or E felony if committed by an adult for the purpose of computing the statistics required by this section."

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Redwine, Sexton, Smith

EXTEND SUNSET ON BAD CHECK PROGRAM/ADD WAKE COUNTY PILOT

Section 16.3. (a) Subsection (e) of Section 18.22 of S.L. 1997-443 reads as rewritten:

"(e) This ~~act~~ section becomes effective October 1, 1997, and expires June 30, ~~1998.~~ 1999."

(b) Subsection (c) of Section 18.22 of S.L. 1997-443 reads as rewritten:

"(c) Of the funds appropriated to the Judicial Department for the 1997-98 fiscal year, the sum of one hundred fifty thousand dollars ($150,000) shall be used to establish bad check collection pilot programs in Columbus, Durham, and Rockingham Counties.

Of the funds appropriated to the Judicial Department for the 1998-99 fiscal year, the sum of two hundred seventeen thousand seven hundred ninety-four dollars ($217,794) shall be used to continue the bad check collection pilot programs in Columbus, Durham, and Rockingham Counties and to establish a bad check collection pilot program in Wake County.

The Administrative Office of the Courts shall report by ~~May 1, 1998,~~ April 1, 1999, to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety on the implementation of the programs, including their effectiveness in assisting the recipients of worthless checks in obtaining restitution and the amount of time saved in prosecuting worthless check cases."

(c) Subsection (d) of Section 18.22 of S.L. 1997-443 reads as rewritten:

"(d) This act apples only to Columbus, Durham, ~~and Rockingham~~ Rockingham, and Wake Counties."

(d) Section 11 of S.L. 1998-23 is repealed.

(e) Subsection (a) of this section becomes effective June 30, 1998.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Redwine, Sexton, Smith

TEEN COURT FUNDS DO NOT REVERT/ESTABLISH TEEN COURT PROGRAMS IN DUPLIN, GUILFORD, AND ONSLOW COUNTIES

Section 16.4. (a) The funds appropriated in S.L. 1997-443 to the Judicial Department for teen court programs throughout the State shall not revert at the end of the 1997-98 fiscal year and shall remain available to the Department for the 1998-99 fiscal year to be used for teen court programs.

(b) With funds appropriated in this act to the Administrative Office of the Courts for the 1998-99 fiscal year, the Administrative Office of the Courts shall establish teen court programs in Duplin, Guilford, and Onslow Counties pursuant to the guidelines and objectives set forth in Section 40 of Chapter 24 of the Session Laws of the 1994 Extra Session.

(c) Subsection (a) of this section becomes effective June 30, 1998.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

INDIGENT FUND STUDY COMMISSION

Section 16.5. (a) The Administrative Office of the Courts shall establish a Study Commission on the Indigent Persons' Attorney Fee Fund. The Commission shall consist of seven voting members as follows:

(1) One member appointed by the Speaker of the House of Representatives;
(2) One member appointed by the President Pro Tempore of the Senate;
(3) One member appointed by the Chief Justice of the Supreme Court;
(4) One member appointed by the North Carolina Association of Public Defenders;
(5) One member appointed by the North Carolina State Bar;
(6) One member appointed by the North Carolina Bar Association; and
(7) One member appointed by the North Carolina Academy of Trial Lawyers.

The Commission shall elect a chair upon being convened at the call of the Chief Justice's appointee.

(b) The Commission shall study methods for improving the management and accountability of funds being expended to provide counsel to indigent defendants without compromising the quality of legal representation mandated by State and federal law. In conducting its study, the Commission shall:

(1) Evaluate the current procedures for determining the indigency of defendants and recommend any possible improvements in those procedures;
(2) Determine whether sufficient information is available when evaluating compensation requests from assigned private counsel and expert witnesses;
(3) Assess the effectiveness of the current management structure for the Indigent Persons' Attorney Fee Fund and outline any additional standards or guidelines that could be implemented to allow for greater accountability of the funds being expended;
(4) Evaluate whether establishing an Indigent Defense Council to oversee the State's expenditure of funds on a district, regional, or Statewide

basis would make the functioning of the Indigent Persons' Attorney Fee Fund more efficient and economical;

(5) Evaluate the effectiveness of existing methods of providing legal representation to indigent defendants, including the use of public defenders, appointed counsel, and contract lawyers;

(6) Review methods used by other states to provide legal representation to indigent defendants;

(7) Assess the potential effectiveness of distributing funds in other ways, including the hiring of contract attorneys on a retainer basis and the expansion of public defender programs; and

(8) Outline additional suggestions that would improve the provision of legal representation to indigent defendants.

The Administrative Office of the Courts shall assign professional and clerical staff to assist in the work of the Commission. The Commission shall report its findings and recommendations to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety no later than May 1, 1999. The report shall include a cost analysis demonstrating the additional personnel and equipment necessary to implement the Commission's recommendations. The report shall also include any legislation necessary to implement the Commission's recommendations.

(c) The Administrative Office of the Courts may use up to the sum of fifty thousand dollars ($50,000) from the Indigent Persons' Attorney Fee Fund to contract for consultant services to assist in meeting the Commission's responsibilities.

Requested by: Senator Rand, Representatives Justus, Kiser, Thompson

CUMBERLAND JUVENILE ASSESSMENT CENTER

Section 16.6. (a) Section 18.21 of S.L. 1997-443 reads as rewritten:

"Section 18.21. (a) Of the funds appropriated in this act to the Administrative Office of the Courts for the 1997-98 fiscal year, the sum of one hundred fifty thousand dollars ($150,000) shall be used to fund the Juvenile Assessment Project authorized by this section. These funds shall be matched by local funds on the basis of one dollar ($1.00) of local funds for every three dollars ($3.00) of State funds. These funds shall not revert at the end of the 1997-98 fiscal year, but shall remain in the Department during the 1998-99 fiscal year to implement this section.

(b) The Administrative Office of the Courts, in collaboration with the Chief Court Counselor of District Court District 12, the Cumberland County Department of Social Services, and the appropriate local school administrative units, shall develop and implement a Juvenile Assessment Center Project in District Court District 12 to operate from the effective date of this act to ~~June 30, 1998.~~ June 30, 1999. The purpose of the Project is to facilitate efficient prevention and intervention service delivery to juveniles who are (i) alleged to be delinquent or undisciplined and have been taken into custody or (ii) at risk of becoming delinquent or undisciplined because they have behavioral problems and have committed delinquent acts even though they have not been taken into custody. The Project shall assist these juveniles by providing a centralized point of intake and assessment for the juveniles, by addressing the educational, emotional, and physical needs of the juveniles, and by providing juveniles with an atmosphere for learning personal responsibility, self-respect, and respect for others. The Administrative Office of the Courts shall consider the recommendations of the Juvenile Assessment Advisory Board in developing and implementing the Project.

(c) The Project shall be modeled after the Juvenile Assessment Center in Hillsborough County, Florida, and shall:

(1) Identify those juveniles who are alleged to be delinquent or undisciplined or are at risk of becoming delinquent or undisciplined;

(2) Evaluate the educational, emotional, and physical needs of the juveniles identified and determine whether the juveniles have problems related to substance abuse, depression, or other emotional conditions;

(3) Develop in-depth and comprehensive assessment plans for the juveniles identified that recommend appropriate treatment, counseling, and disposition of the juveniles; and

(4) Provide services to juveniles identified and their families through collaboration with public and private resources, including local law enforcement, parents' organizations, the Fayetteville Chamber of Commerce, and county and community programs and organizations that provide substance abuse treatment and child and family counseling.

(d) There is established the Juvenile Assessment Advisory Board to make recommendations to the Administrative Office of the Courts regarding the development and operations of the Project. The Board shall consist of 13 members, including:

(1) The director of the Department of Social Services of Cumberland County, or the director's designee.

(2) A representative from the local mental health area authority of Cumberland County.

(3) A member of the Cumberland County Board of Education.

(4) The sheriff of Cumberland County, or the sheriff's designee.

(5) The chief of police of the Fayetteville Police Department, or the designee of the chief of police.

(6) A judge of District Court District 12.

(7) A juvenile court counselor from District Court District 12.

(8) The director of the Guardian Ad Litem program in Cumberland County, or the director's designee.

(9) The director of the Health Department of Cumberland County, or the director's designee.

(10) Two public members appointed by the Fayetteville City Council.

(11) Two public members appointed by the Board of County Commissioners of Cumberland County.

The members of the Board shall, within 30 days after the initial appointment is made, meet and elect one member as chair. The Board shall meet at least once a month at the call of the chair, and a quorum of the Board shall consist of a majority of its members. The Board of County Commissioners of Cumberland County shall provide necessary clerical and professional assistance to the Board.

Initial appointments shall be made by October 1, 1997, and all terms shall expire ~~June 30, 1998.~~ June 30, 1999.

(e) The Administrative Office of the Courts, in consultation with the Department of ~~Human Resources,~~ Health and Human Services, shall evaluate the Project and report to the Chairs of the House and Senate Appropriations Committees, the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety and ~~Human Resources,~~ Health and Human Services, and the Fiscal Research Division of the General Assembly by ~~May 1, 1998,~~ May 1, 1999, on the progress of the development and implementation of the Project. In the report, the Administrative Office of the Courts, in

consultation with the Department of ~~Human Resources,~~ Health and Human Services, shall evaluate the effectiveness of the Project, including the number of juveniles served or expected to be served, and shall recommend whether the Project should be continued. If the report recommends that the Project be continued, it shall also provide a cost analysis outlining the long-term staffing and operating needs of the Project."

(b) Section 10 of S.L. 1998-23 is repealed.

(c) This section becomes effective June 30, 1998.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

COMMUNITY PENALTIES PROGRAMS

Section 16.8. Subsection (a) of Section 18.4 of S.L. 1997-443 reads as rewritten:

"(a) Of the funds appropriated from the General Fund to the Judicial Department for the 1997-99 biennium to conduct the Community Penalties Program, the sum of four million three hundred fifty-five thousand three hundred eighty-two dollars ($4,355,382) for the 1997-98 fiscal year and the sum of ~~four million three hundred fifty-five thousand three hundred eighty-two dollars ($4,355,382)~~ four million four hundred sixty-four thousand five hundred twenty-one dollars ($4,464,521) for the 1998-99 fiscal year may be allocated by the Judicial Department in each year of the biennium in any amount among existing community penalties programs, including any State-operated programs, or may be used to establish new community penalties programs."

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

DISTRICT COURT CIVIL CASE MANAGEMENT

Section 16.9. Section 18.23 of S.L. 1997-443 reads as rewritten:

"Section 18.23. The Administrative Office of the Courts shall report by ~~May 1, 1998,~~ April 1, 1999, to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety on the civil case management pilot programs established in District Court Districts 13, 18, and 30. The report shall assess the success of these programs in reducing the backlog of civil court cases and in resolving new cases more quickly."

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

CAPITAL CASE PILOT PROGRAM

Section 16.10. (a) The Administrative Office of the Courts shall establish a capital case pilot program to be incorporated into the Office of the Appellate Defender to provide assistance to districts experiencing difficulty in locating qualified private counsel to handle capital cases.

(b) The Administrative Office of the Courts may use up to the sum of one hundred eighty thousand forty dollars ($180,040) from the Indigent Persons' Attorney Fee Fund for the 1998-99 fiscal year for salaries, benefits, and related expenses to establish two new assistant public defender positions, one legal assistant position, and one investigator to work specifically on capital cases.

(c) The Administrative Office of the Courts shall report to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety by May 1, 1999, on the effectiveness of the program, including information on which districts have received

assistance, the average cost per defendant served, and an estimate of the savings to be realized in using this program rather than privately assigned counsel.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

AUTHORIZE ADDITIONAL MAGISTRATES

Section 16.11. G.S. 7A-133(c) reads as rewritten:

"(c) Each county shall have the numbers of magistrates and additional seats of district court, as set forth in the following table:

County	Magistrates Min.	Magistrates Max.	Additional Seats of Court
Camden	1	2	
Chowan	2	3	
Currituck	1	~~3~~ 4	
Dare	3	8	
Gates	2	3	
Pasquotank	3	5	
Perquimans	2	3	
Martin	5	8	
Beaufort	4	8	
Tyrrell	1	3	
Hyde	2	4	
Washington	3	4	
Pitt	10	12	Farmville Ayden
Craven	7	10	Havelock
Pamlico	2	~~3~~ 4	
Carteret	5	8	
Sampson	6	8	
Duplin	9	11	
Jones	2	3	
Onslow	8	14	
New Hanover	6	11	
Pender	4	6	
Halifax	9	14	Roanoke Rapids, Scotland Neck
Northampton	5	7	
Bertie	4	6	
Hertford	5	6	
Nash	7	10	Rocky Mount
Edgecombe	4	7	Rocky Mount
Wilson	4	7	
Wayne	5	12	Mount Olive
Greene	2	4	
Lenoir	4	10	La Grange
Granville	3	7	
Vance	3	6	

Warren	3	4	
Franklin	3	7	
Person	3	4	
Caswell	2	5	
Wake	12	20	Apex, Wendell, Fuquay-Varina, Wake Forest
Harnett	7	11	Dunn
Johnston	10	12	Benson, Clayton, Selma
Lee	4	6	
Cumberland	10	18	
Bladen	4	6	
Brunswick	4	~~7~~ 8	
Columbus	6	9	Tabor City
Durham	8	13	
Alamance	7	10	Burlington
Orange	4	11	Chapel Hill
Chatham	3	8	Siler City
Scotland	3	5	
Hoke	4	5	
Robeson	8	16	Fairmont, Maxton, Pembroke, Red Springs, Rowland, St. Pauls
Rockingham	4	9	Reidsville, Eden, Madison
Stokes	2	5	
Surry	5	9	Mt. Airy
Guilford	20	26	High Point
Cabarrus	5	9	Kannapolis
Montgomery	2	4	
Randolph	5	10	Liberty
Rowan	5	10	
Stanly	5	6	
Union	4	6	
Anson	4	5	
Richmond	5	6	Hamlet
Moore	5	8	Southern Pines
Forsyth	3	15	Kernersville
Alexander	2	3	
Davidson	7	10	Thomasville
Davie	2	3	

Iredell	4	9	Mooresville
Alleghany	1	2	
Ashe	3	4	
Wilkes	4	6	
Yadkin	3	5	
Avery	3	~~4~~ 5	
Madison	4	5	
Mitchell	3	4	
Watauga	4	6	
Yancey	2	4	
Burke	4	7	
Caldwell	4	7	
Catawba	6	10	Hickory
Mecklenburg	15	~~26~~ 27	
Gaston	11	~~21~~ 22	
Cleveland	5	8	
Lincoln	4	7	
Buncombe	6	15	
Henderson	4	7	
McDowell	3	5	
Polk	3	4	
Rutherford	6	8	
Transylvania	2	4	
Cherokee	3	4	
Clay	1	2	
Graham	2	3	
Haywood	5	7	Canton
Jackson	3	4	
Macon	3	4	
Swain	2	3."	

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

ASSISTANT PUBLIC DEFENDERS

Section 16.12. From funds appropriated to the Indigent Persons' Attorney Fee Fund for the 1998-99 fiscal year, the Administrative Office of the Courts may use up to one hundred seventy-nine thousand two hundred twenty dollars ($179,220) for salaries, benefits, equipment, and related expenses to establish up to four new assistant public defender positions.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

PROVIDE THAT THE CLERK OF SUPERIOR COURT DOES NOT HAVE TO INVENTORY A DECEDENT'S SAFE-DEPOSIT BOX IF A QUALIFIED PERSON IS PRESENT AT THE OPENING OF THE BOX

Section 16.14. (a) Article 15 of Chapter 28A of the General Statutes is amended by adding a new section to read:

"**§ 28A-15-13. Opening and inventory of decedent's safe-deposit box.**

(a) Definitions. -- The following definitions apply to this section:

(1) Institution. -- Any entity or person having supervision or possession of a safe-deposit box to which a decedent had access.

(2) Letter of authority. -- Letters of administration, letters testamentary, an affidavit of collection of personal property, an order of summary administration, or a letter directed to the institution designating a person entitled to receive the contents of a safe-deposit box to which the decedent had access. The letter of authority must be signed by the clerk of superior court or by the clerk's representative.

(3) Qualified person. -- A person possessing a letter of authority or a person named as a lessee or cotenant of the safe-deposit box to which the decedent had access.

(b) Presence of Clerk Required. -- Any safe-deposit box to which a decedent had access shall be sealed by the institution having supervision or possession of the box. Except as provided in subsection (c) of this section, the presence of the clerk of superior court of the county where the safe-deposit box is located or the presence of the clerk's representative is required before the box may be opened. The clerk or the clerk's representative shall open the safe-deposit box in the presence of the person possessing a key to the box and a representative of the institution having supervision or possession of the box. The clerk shall make an inventory of the contents of the box and furnish a copy to the institution and to the person possessing a key to the box.

(c) Presence of Clerk Not Required. -- The presence of the clerk of superior court or the clerk's representative is not required when the person requesting the opening of the decedent's safe-deposit box is a qualified person. In that event, the qualified person shall make an inventory of the contents of the box and furnish a copy to the institution and to the person possessing a key to the box if that person is someone other than the qualified person.

(d) Testamentary Instrument in Box. -- If the safe-deposit box contains any writing that appears to be a will, codicil, or any other instrument of a testamentary nature, then the clerk of superior court or the qualified person shall file the instrument in the office of the clerk of superior court.

(e) Release of Contents. -- Except as provided in subsection (d) for testamentary instruments, the institution shall not release any contents of the safe-deposit box to anyone other than a qualified person.

(f) No Tax Waiver Required. -- No tax waiver is required for the release of the contents of the decedent's safe-deposit box."

(b) This section becomes effective January 1, 1999, and applies to estates of decedents who die on or after that date.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

CONTINUE DRUG TREATMENT COURT

Section 16.15. (a) Section 21.6(c) of Chapter 507 of the 1995 Session Laws reads as rewritten:

"(c) Subsection (a) of this section becomes effective ~~July 1, 1995, and expires June 30, 1998.~~ July 1, 1995. The remainder of this section becomes effective October 1, 1995."

(b) G.S. 7A-791 reads as rewritten:

"§ 7A-791. Purpose.

The General Assembly recognizes that a critical need exists in this State for criminal justice system programs that will reduce the incidence of drug use and drug addiction and crimes committed as a result of drug use and drug addiction. It is the intent of the General

Assembly by this Article to create a program to facilitate the creation of local drug treatment court ~~pilot programs in a minimum of two judicial districts.~~ programs."

(c) G.S. 7A-793 reads as rewritten:

"§ 7A-793. Establishment of Program.

The North Carolina Drug Treatment Court Program is established in the Administrative Office of the Courts to facilitate the creation ~~of drug treatment court programs~~ and ~~the~~ funding of ~~pilot~~ local drug treatment court programs. The Director of the Administrative Office of the Courts shall provide any necessary staff for planning, organizing, and administering the program. ~~Drug~~ Local drug treatment court programs funded pursuant to this Article shall be operated ~~consistent~~ consistently with the guidelines ~~promulgated by the Director of the Administrative Office of the Courts in consultation with the State Drug Treatment Court Advisory Committee established in G.S. 7A-795. In promulgating the guidelines, the Director and the Advisory Committee shall consider the Substance Abuse and the Courts Action Plan and other recommendations of the Substance Abuse and the Courts State Task Force.~~ adopted pursuant to G.S. 7A-795."

(d) G.S. 7A-794 reads as rewritten:

"§ 7A-794. Fund administration.

The Drug Treatment Court Program Fund is created in the Administrative Office of the Courts and is administered by the Director of the Administrative Office of the Courts in consultation with the State Drug Treatment Court Advisory Committee. The Director of the Administrative Office of the Courts shall award grants from this Fund and implement local drug treatment court ~~programs in a minimum of two judicial districts.~~ programs. Grants shall be awarded based upon the general guidelines set forth by the Director of the Administrative Office of the Courts and the State Drug Treatment Court Advisory Committee."

(e) G.S. 7A-795 reads as rewritten:

"§ 7A-795. State Drug Treatment Court Advisory Committee.

The State Drug Treatment Court Advisory Committee is established to develop and recommend to the Director of the Administrative Office of the Courts guidelines for the drug treatment court program and to monitor local programs wherever they are implemented. The Committee shall be chaired by the Director ~~of the Administrative Office of the Courts~~ or the Director's designee and shall consist of not less than seven members appointed by the Director and broadly representative of the courts, law enforcement, corrections, and substance abuse treatment communities. In developing guidelines, the Advisory Committee shall consider the Substance Abuse and the Courts Action Plan and other recommendations of the Substance Abuse and the Courts State Task Force."

(f) G.S. 7A-796 reads as rewritten:

"§ 7A-796. Local drug treatment court management committee.

Each judicial district choosing to establish a drug treatment court ~~or applying to participate in a funded pilot program~~ shall form a local drug treatment court management committee, consisting of the following persons, appointed by the senior resident superior court judge with the concurrence of the district attorney for that district:

(1) A judge of the superior court;
(2) A judge of the district court;
(3) A district attorney or assistant district attorney;
(4) A public defender or assistant public defender in judicial districts served by a public defender;
(5) A member of the private criminal defense bar;
(6) A clerk of superior court;

(7) The trial court administrator in judicial districts served by a trial court administrator;
(8) A probation officer;
(9) A local law enforcement officer;
(10) A representative of the local community college;
(11) A representative of the treatment providers;
(12) The local program director provided for in G.S. 7A-798; and
(13) Any other persons selected by the local management committee.

The local drug treatment court management committee shall develop local guidelines and procedures, not inconsistent with the State guidelines, that are necessary for the operation and evaluation of the local drug treatment court."

(g) G.S. 7A-798 reads as rewritten:

"§ 7A-798. Drug treatment court grant application; local program director.

(a) ~~Grant applications for the pilot programs~~ Applications for funding to develop or implement local drug treatment court programs shall be submitted to the Director of the Administrative Office of the Courts, in such form and with such information as the Director may require consistent with the provisions of this Article. ~~Grants shall be awarded to two or more judicial districts that submit the most comprehensive and feasible plans for the implementation and operation of a drug treatment court.~~ The Director shall award and administer grants in accordance with any laws made for that purpose, including appropriations acts and provisions in appropriations acts, and may adopt rules for the implementation, operation, and monitoring of grant-funded programs.

(b) Grant applications shall specify a local program ~~director~~ administrator who shall be responsible for ~~local administration of the project.~~ the local program. Grant funds may be used to fund a full-time or part-time local program director ~~position.~~ position and other necessary staff. The ~~local program director~~ staff may be ~~an employee~~ employees of the grant recipient, ~~an employee~~ employees of the court, or ~~a~~ grant-established ~~position~~ positions under the senior resident superior court judge or chief district court judge."

(h) G.S. 7A-800 reads as rewritten:

"§ 7A-800. Payment of costs of treatment program.

Each defendant or offender shall contribute to the cost of the substance abuse treatment received in the drug treatment court program, based upon guidelines developed by the local drug treatment court management committee."

(i) G.S. 7A-801 reads as rewritten:

"§ 7A-801. Plan for evaluation.

~~Each grant application requesting funding for the pilot program shall include a method for evaluating the pilot program's effectiveness, based upon the goals stated in G.S. 7A-792.~~ The Administrative Office of the Courts shall develop a statewide model and conduct ongoing evaluations of all local drug treatment court programs. A report of these evaluations shall be submitted to the General Assembly by March 1 of each year. Each ~~funded~~ local drug treatment court program shall submit evaluation reports to the Administrative Office of the Courts as requested. ~~Additionally, the Administrative Office of the Courts shall be responsible for developing an evaluation model on the State level to compare the effectiveness of all pilot programs and shall submit a report to the General Assembly by May 1, 1998.~~"

(j) Section 9(a) of S.L. 1998-23 is repealed.

(k) Subsection (a) of this section becomes effective June 30, 1998.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

October 26, 1998

ADDITIONAL DISTRICT COURT JUDGES

Section 16.16. (a) G.S. 7A-133(a) reads as rewritten:

"(a) Each district court district shall have the numbers of judges as set forth in the following table:

District	Judges	County
1	4	Camden
		Chowan
		Currituck
		Dare
		Gates
		Pasquotank
		Perquimans
2	3	Martin
		Beaufort
		Tyrrell
		Hyde
		Washington
3A	~~4~~ 5	Pitt
3B	5	Craven
		Pamlico
		Carteret
4	~~6~~ 7	Sampson
		Duplin
		Jones
		Onslow
5	6	New Hanover
		Pender
6A	2	Halifax
6B	3	Northampton
		Bertie
		Hertford
7	~~6~~ 7	Nash
		Edgecombe
		Wilson
8	6	Wayne
		Greene
		Lenoir
9	4	Granville
		(part of Vance
		see subsection (b))
		Franklin
9A	2	Person
		Caswell
9B	1	Warren
		(part of Vance
		see subsection (b))
10	~~12~~ 13	Wake

11	~~6~~ 7	Harnett
		Johnston
		Lee
12	~~8~~ 9	Cumberland
13	5	Bladen
		Brunswick
		Columbus
14	~~5~~ 6	Durham
15A	3	Alamance
15B	4	Orange
		Chatham
16A	3	Scotland
		Hoke
16B	5	Robeson
17A	2	Rockingham
17B	3	Stokes
		Surry
18	11	Guilford
19A	3	Cabarrus
19B	~~5~~ 6	Montgomery
		Moore
		Randolph
19C	~~3~~ 4	Rowan
20	7	Stanly
		Union
		Anson
		Richmond
21	~~7~~ 8	Forsyth
22	8	Alexander
		Davidson
		Davie
		Iredell
23	4	Alleghany
		Ashe
		Wilkes
		Yadkin
24	4	Avery
		Madison
		Mitchell
		Watauga
		Yancey
25	7	Burke
		Caldwell
		Catawba
26	~~14~~ 15	Mecklenburg
27A	5	Gaston
27B	4	Cleveland
		Lincoln
28	5	Buncombe
29	~~5~~ 6	Henderson

		McDowell
		Polk
		Rutherford
		Transylvania
30	4	Cherokee
		Clay
		Graham
		Haywood
		Jackson
		Macon
		Swain."

(b) The Governor shall appoint additional district court judges for District Court Districts 3A, 4, 7, 10, 11, 12, 14, 19B, 19C, 21, 26, and 29 as authorized by subsection (a) of this section no later than June 30, 1999. Those judges' successors shall be elected in the 2002 election for four-year terms commencing on the first Monday in December 2002.

(c) Subsection (a) of this section becomes effective December 15, 1998, as to any district where no county is subject to section 5 of the Voting Rights Act of 1965. As to any district where any county is subject to section 5 of the Voting Rights Act of 1965, subsection (a) of this section becomes effective December 15, 1998, or 15 days after the date upon which that subsection is approved under section 5 of the Voting Rights Act.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

ADDITIONAL SUPERIOR COURT JUDGE

Section 16.16A. (a) G.S. 7A-41(a) reads as rewritten:

"(a) The counties of the State are organized into judicial divisions and superior court districts, and each superior court district has the counties, and the number of regular resident superior court judges set forth in the following table, and for districts of less than a whole county, as set out in subsection (b) of this section:

Judicial Division	Superior Court District	Counties	No. of Resident Judges
First	1	Camden, Chowan, Currituck, Dare, Gates, Pasquotank, Perquimans	2
	2	Beaufort, Hyde, Martin, Tyrrell, Washington	1
	3A	Pitt	2
	3B	Carteret, Craven, Pamlico	2
	4A	Duplin, Jones, Sampson	1
	4B	Onslow	1
	5	New Hanover, Pender	3

	6A	Halifax	1
	6B	Bertie, Hertford, Northampton	1
	7A	Nash	1
	7B	(part of Wilson, part of Edgecombe, see subsection (b))	1
	7C	(part of Wilson, part of Edgecombe, see subsection (b))	1
	8A	Lenoir and Greene	1
	8B	Wayne	1
Second	9	Franklin, Granville, Vance, Warren	2
	9A	Person, Caswell	1
	10A	(part of Wake, see subsection (b))	2
	10B	(part of Wake, see subsection (b))	2
	10C	(part of Wake, see subsection (b))	1
	10D	(part of Wake, see subsection (b))	1
	11A	Harnett, Lee	1
	11B	Johnston	1
	12A	(part of Cumberland, see subsection (b))	1
	12B	(part of Cumberland, see subsection (b))	1
	12C	(part of Cumberland, see subsection (b))	2
	13	Bladen, Brunswick, Columbus	2
	14A	(part of Durham, see subsection (b))	1
	14B	(part of Durham, see subsection (b))	3
	15A	Alamance	2
	15B	Orange, Chatham	1
	16A	Scotland, Hoke	1
	16B	Robeson	2
Third	17A	Rockingham	2
	17B	Stokes, Surry	2
	18A	(part of Guilford, see subsection (b))	1
	18B	(part of Guilford, see subsection (b))	1
	18C	(part of Guilford, see subsection (b))	1

	18D	(part of Guilford, see subsection (b))	1
	18E	(part of Guilford, see subsection (b))	1
	19A	Cabarrus	1
	19B	Montgomery, Moore, Randolph	2
	19C	Rowan	1
	20A	Anson, Richmond	1
	20B	Stanly, Union	~~2~~ 3
	21A	(part of Forsyth, see subsection (b))	1
	21B	(part of Forsyth, see subsection (b))	1
	21C	(part of Forsyth, see subsection (b))	1
	21D	(part of Forsyth, see subsection (b))	1
	22	Alexander, Davidson, Davie, Iredell	2
	23	Alleghany, Ashe, Wilkes, Yadkin	1
Fourth	24	Avery, Madison, Mitchell, Watauga, Yancey	1
	25A	Burke, Caldwell	2
	25B	Catawba	2
	26A	(part of Mecklenburg, see subsection (b))	2
	26B	(part of Mecklenburg, see subsection (b))	2
	26C	(part of Mecklenburg, see subsection (b))	2
	27A	Gaston	2
	27B	Cleveland, Lincoln	2
	28	Buncombe	2
	29	Henderson, McDowell, Polk, Rutherford, Transylvania	2
	30A	Cherokee, Clay, Graham, Macon, Swain	1
	30B	Haywood, Jackson	1".

(b) The Governor shall appoint a superior court judge for the additional judgeship in Superior Court District 20B as authorized by subsection (a) of this section. The successor to that judge shall be elected in the 2000 general election to serve the remainder of the unexpired term expiring December 31, 2006. This is to provide unstaggered terms for multiple judgeships in the same district.

(c) Subsection (a) of this section becomes effective January 15, 1999, or the date upon which that subsection is approved under section 5 of the Voting Rights Act of 1965, whichever is later.

Requested by: Senators Plyler, Perdue, Odom, Ballance, Representatives Holmes, Esposito, Creech, Crawford, Daughtry

STUDY REORGANIZATION OF SUPERIOR COURT DIVISIONS AND IMPLEMENTATION OF CIRCUIT COURT PILOTS

Section 16.17A. (a) The Chief Justice of the Supreme Court is requested to convene a task force including members of both the North Carolina Association of District Court Judges and the North Carolina Conference of Superior Court Judges to study and make recommendations for (i) the reorganization and expansion of the Superior Court Division of the General Court of Justice into no fewer than eight but no more than twelve judicial divisions in a manner that does not divide any existing judicial districts; and (ii) the establishment of pilot programs in up to three of the new judicial divisions for the implementation and operation of "circuit courts" as proposed by the Commission for the Future of Justice and the Courts in North Carolina.

(b) The Administrative Office of the Courts shall report to the General Assembly by March 1, 1999, on the results of its study. The report shall:

(1) Contain a specific recommendation for the most appropriate reorganization of the Superior Court Division as described in subsection (a) of this section;

(2) Address population, case filings, travel distances, and any other factors that the task force considered in developing the recommendation;

(3) Set forth any personnel and equipment needed to implement the "circuit court" pilot programs; and

(4) Include any statutory changes or other legislation necessary to implement the pilot programs.

Requested by: Senator Gulley, Representatives Justus, Kiser, Thompson

EVALUATION OF CORRECTIONAL PROGRAMS

Section 16.18. (a) The Judicial Department, through the North Carolina Sentencing and Policy Advisory Commission, and the Department of Correction shall jointly conduct ongoing evaluations of community corrections programs and in-prison treatment programs and make a biennial report to the General Assembly. The report shall include composite measures of program effectiveness based on recidivism rates, other outcome measures, and costs of the programs.

During the 1998-99 fiscal year, the Sentencing and Policy Advisory Commission shall coordinate the collection of all data necessary to create an expanded database containing offender information on prior convictions, current conviction and sentence, program participation, and outcome measures. Each program to be evaluated shall assist the Commission in the development of systems and collection of data necessary to complete the evaluation process. The first evaluation report shall be presented to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety by April 15, 2000, and future reports shall be made by April 15 of each even-numbered year.

The Judicial Department may use the sum of fifty thousand dollars ($50,000) in funds appropriated for the 1998-99 fiscal year to conduct the study provided for in this section.

(b) Section 22.3 of Chapter 18 of the Session Laws of the 1996 Second Extra Session is repealed.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton, Baddour, Redwine

ESTABLISH PILOT PROGRAM OF SETTLEMENT PROCEDURES IN DISTRICT COURT ACTIONS INVOLVING FAMILY ISSUES

Section 16.19. (a) G.S. 7A-38.4 reads as rewritten:

"§ 7A-38.4. ~~Mediated settlement conferences~~ Settlement procedures in district court actions.

(a) The purpose of this section is to authorize the design, implementation, and evaluation of a pilot program in which parties to district court actions involving equitable distribution, alimony, and support may be required to attend a pretrial mediated settlement conference or other settlement procedure.

~~(b) The Dispute Resolution Commission established under the Judicial Department shall, with the advice of the Director of the Administrative Office of the Courts, design the pilot program and its coordination with existing settlement programs. The planning and design phase of the program shall include representatives from the Conference of Chief District Court Judges, the AOC Child Custody Mediation Advisory Committee, the Court Ordered Arbitration Subcommittee of the Supreme Court's Dispute Resolution Committee, the North Carolina Mediation Network, the North Carolina Association of Professional Family Mediators, the North Carolina Association of Clerks of Superior Court, the North Carolina Association of Trial Court Administrators, the Family Law Section of the North Carolina Bar Association, and the Dispute Resolution Section of the North Carolina Bar Association.~~

(c) The Supreme Court may adopt rules to implement this section. The definitions in G.S. 7A-38.1(b)(2) and (b)(3) apply to this section.

(d) ~~The chief district court judge~~ District court judges of any participating district may order a mediated settlement conference or another settlement procedure for any action pending in the district involving issues of equitable distribution, alimony, or child or spousal ~~support.~~ support, pursuant to rules adopted by the Supreme Court. The chief district court judge may by local rule order all such cases, not otherwise exempted by Supreme Court rule, to mediated settlement conference.

(e) The parties to a district court action in which a mediated settlement conference is ordered, their attorneys, and other persons or entities with authority, by law or by contract, to settle the parties' claims shall attend the mediated settlement conference, or other settlement procedure ordered by ~~the court,~~ a district court judge pursuant to rules of the Supreme Court, unless excused by ~~the rules of the Supreme Court or by order of the chief district court judge.~~ those rules. Nothing in this section shall require any party or other participant in the conference to make a settlement offer or demand which it deems is contrary to its best interests.

(f) Any person required to attend a mediated settlement conference or other settlement procedure ordered by the court who, without good cause, fails to attend in compliance with this section and the rules adopted under this section, shall be subject to any appropriate monetary sanction imposed by a ~~chief or presiding~~ district court ~~judge,~~ judge pursuant to rules of the Supreme Court, including the payment of attorneys' fees, mediator fees, and expenses incurred in attending the ~~conference.~~ settlement procedure. If the court imposes sanctions, it shall do so, after notice and hearing, in a written order, making findings of fact and conclusions of law. An order imposing sanctions shall be reviewable

upon appeal where the entire record as submitted shall be reviewed to determine whether the order is supported by substantial evidence.

(g) The parties to a district court action in which a mediated settlement conference is to be held pursuant to this section shall have the right to designate a mediator. Upon failure of the parties to designate within the time established by the rules of the Supreme Court, a mediator shall be appointed by ~~the chief~~ a district court judge ~~or its designee.~~ pursuant to rules of the Supreme Court.

(h) ~~The~~ Pursuant to rules of the Supreme Court, a chief district court judge, at the request of a party and with the consent of ~~the~~ all parties, may order the parties to attend and participate in any other settlement procedure authorized by rules ~~of~~ adopted by the Supreme Court or adopted by local district court rules, in lieu of attending a mediated settlement conference. ~~Neutral third parties~~ Neutrals acting pursuant to this section shall be selected and compensated in accordance with ~~the~~ rules of the Supreme Court or pursuant to agreement of the parties. Nothing herein shall prohibit the parties from participating in other dispute resolution procedures, including arbitration, to the extent authorized under State or federal law.

(i) Mediators and other neutrals acting pursuant to this section shall have judicial immunity in the same manner and to the same extent as a judge of the General Court of Justice, except that mediators and other neutrals may be disciplined in accordance with enforcement procedures adopted by the Supreme Court pursuant to G.S. 7A-38.2.

(j) Costs of mediated settlement conferences and other settlement procedures shall be borne by the parties. Unless otherwise ordered by the court or agreed to by the parties, the mediator's fees shall be paid in equal shares by the parties. The rules adopted by the Supreme Court implementing this section shall set out a method whereby parties found by the court to be unable to pay the costs of settlement procedures are afforded an opportunity to participate without cost to an indigent party and without expenditure of State funds.

(k) Evidence of statements made and conduct occurring in a ~~mediated settlement conference~~ settlement proceeding conducted pursuant to this section shall not be subject to discovery and shall be inadmissible in any proceeding in the action or other actions on the same claim. However, no evidence otherwise discoverable shall be inadmissible merely because it is presented or discussed in a ~~mediated settlement conference.~~ settlement proceeding.

No mediator, or other neutral conducting a settlement procedure pursuant to this section, shall be compelled to testify or produce evidence concerning statements made and conduct occurring in a mediated settlement conference or other settlement procedure in any civil proceeding for any purpose, except proceedings for sanctions under this section, disciplinary hearings before the State Bar or any agency established to enforce standards of conduct for mediators, and proceedings to enforce laws concerning juvenile or elder abuse.

(l) The Supreme Court may adopt standards for the certification and conduct of mediators and other neutrals who participate ~~in the mediated settlement conference program established~~ settlement procedures conducted pursuant to this section. The standards may also regulate mediator training programs. The Supreme Court may adopt procedures for the enforcement of those standards. The administration of mediator certification, regulation of mediator conduct, and decertification shall be conducted through the Dispute Resolution Commission.

(m) An administrative fee not to exceed two hundred dollars ($200.00) may be charged by the Administrative Office of the Courts to applicants for certification and annual renewal of certification for mediators and mediator training programs operation under this

section. The fees collected may be used by the Director of the Administrative Office of the Courts to establish and maintain the operations of the Commission and its staff. The administrative fee shall be set by the Director of the Administrative Office of the Courts in consultation with the Dispute Resolution Commission.

(n) The Administrative Office of the Courts, in consultation with the Dispute Resolution Commission, may require the chief district court judge of any participating district to report statistical data about settlement procedures conducted pursuant to this section for administrative purposes.

~~(m)~~ (o) Nothing in this section or rules adopted pursuant to it shall restrict the right to jury trial."

(b) G.S. 7A-38.2(c) reads as rewritten:

"(c) The Dispute Resolution Commission shall consist of ~~nine~~ 14 members: ~~two~~ five judges appointed by the Chief Justice of the Supreme ~~Court;~~ Court, at least two of whom shall be superior court judges, and at least two of whom shall be district court judges; two mediators certified to conduct superior court mediated settlement conferences and two mediators certified to conduct equitable distribution mediated settlement conferences appointed by the Chief Justice of the Supreme Court; two practicing attorneys who are not certified as mediators appointed by the President of the North Carolina State Bar; and three citizens knowledgeable about mediation, one of whom shall be appointed by the Governor, one by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121, and one by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121. Members shall initially serve four-year terms, except that one judge, one mediator, one attorney, and the citizen member appointed by the Governor, shall be appointed for an initial term of two years. ~~Members may serve no more than two consecutive terms.~~ Incumbent members as of September 30, 1998, shall serve the remainder of the terms to which they were appointed. Members appointed to newly created membership positions effective October 1, 1998, shall serve initial terms of two years. Thereafter, members shall serve three-year terms and shall be ineligible to serve more than two consecutive terms. The Chief Justice shall designate one of the ~~judge~~ members to serve as chair for a two-year term. Members of the Commission shall be compensated pursuant to G.S. 138-5.

Vacancies shall be filled for unexpired terms and full terms in the same manner as incumbents were appointed. Appointing authorities may receive and consider suggestions and recommendations of persons for appointment from the Dispute Resolution Commission, the Family Law, Litigation, and Dispute Resolution Sections of the North Carolina Bar Association, the North Carolina Association of Professional Family Mediators, the North Carolina Association of Clerks of Superior Court, the North Carolina Conference of Court Administrators, the Mediation Network of North Carolina, the Dispute Resolution Committee of the Supreme Court, the Conference of Chief District Court Judges, the Conference of Superior Court Judges, the Director of the Administrative Office of the Courts, and the Child Custody Mediation Advisory Committee of the Administrative Office of the Courts."

(c) Effective October 1, 1999, G.S. 7A-38.2(c), as rewritten by subsection (b) of this section, reads as rewritten:

"(c) The Dispute Resolution Commission shall consist of 14 members: five judges appointed by the Chief Justice of the Supreme Court, at least two of whom shall be superior court judges, and at least two of whom shall be district court judges; two mediators certified to conduct superior court mediated settlement conferences and two mediators certified to conduct equitable distribution mediated settlement conferences

appointed by the Chief Justice of the Supreme Court; two practicing attorneys who are not certified as mediators appointed by the President of the North Carolina State ~~Bar;~~ Bar, one of whom shall be a family law specialist; and three citizens knowledgeable about mediation, one of whom shall be appointed by the Governor, one by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121, and one by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121. Members shall initially serve four-year terms, except that one judge, one mediator, one attorney, and the citizen member appointed by the Governor, shall be appointed for an initial term of two years. Incumbent members as of September 30, 1998 shall serve the remainder of the terms to which they were appointed. Members appointed to newly-created membership positions effective October 1, 1998 shall serve initial terms of two years. Thereafter, members shall serve three-year terms and shall be ineligible to serve more than two consecutive terms. The Chief Justice shall designate one of the members to serve as chair for a two-year term. Members of the Commission shall be compensated pursuant to G.S. 138-5.

Vacancies shall be filled for unexpired terms and full terms in the same manner as incumbents were appointed. Appointing authorities may receive and consider suggestions and recommendations of persons for appointment from the Dispute Resolution Commission, the Family Law, Litigation, and Dispute Resolution Sections of the North Carolina Bar Association, the North Carolina Association of Professional Family Mediators, the North Carolina Association of Clerks of Superior Court, the North Carolina Conference of Court Administrators, the Mediation Network of North Carolina, the Dispute Resolution Committee of the Supreme Court, the Conference of Chief District Court Judges, the Conference of Superior Court Judges, the Director of the Administrative Office of the Courts, and the Child Custody Mediation Advisory Committee of the Administrative Office of the Courts."

(d) The Administrative Office of the Courts may solicit and accept funds from private sources to evaluate the pilot program conducted pursuant to this section. The Administrative Office of the Courts shall report its findings and recommendations to the Chairs of the House and Senate Appropriations Committees and the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety by April 1, 2001.

(e) Of the funds appropriated to the Judicial Department for the 1998-99 fiscal year, the sum of fifty thousand dollars ($50,000) shall be used to fund the activities of the Dispute Resolution Commission in association with the pilot program authorized by this section. No such funds shall be expended for the payment of mediator fees.

(f) Subsection (e) of this section becomes effective July 1, 1998. Subsection (c) of this section becomes effective October 1, 1999. The remainder of this section becomes effective October 1, 1998.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

ADDITIONAL ASSISTANT DISTRICT ATTORNEYS

Section 16.20. (a) G.S. 7A-60(a1) reads as rewritten:

"(a1) The counties of the State are organized into prosecutorial districts, and each district has the counties and the number of full-time assistant district attorneys set forth in the following table:

Prosecutorial District	Counties	No. of Full-Time Asst. District Attorneys

1	Camden, Chowan, Currituck, Dare, Gates, Pasquotank, Perquimans	9
2	Beaufort, Hyde, Martin, Tyrrell, Washington	5
3A	Pitt	9
3B	Carteret, Craven, Pamlico	10
4	Duplin, Jones, Onslow, Sampson	14
5	New Hanover, Pender	13
6A	Halifax	4
6B	Bertie, Hertford, Northampton	4
7	Edgecombe, Nash, Wilson	15
8	Greene, Lenoir, Wayne	11
9	Franklin, Granville, Vance, Warren	10
9A	Person, Caswell	4
10	Wake	28
11	Harnett, Johnston, Lee	14
12	Cumberland	17
13	Bladen, Brunswick, Columbus	9
14	Durham	~~12~~ 13
15A	Alamance	7
15B	Orange, Chatham	7
16A	Scotland, Hoke	5
16B	Robeson	9
17A	Rockingham	5
17B	Stokes, Surry	5
18	Guilford	26
19A	Cabarrus	5
19B	Montgomery, Moore, Randolph	11
19C	Rowan	5
20	Anson, Richmond, Stanly, Union	14
21	Forsyth	~~15~~ 17
22	Alexander, Davidson, Davie, Iredell	16
23	Alleghany, Ashe, Wilkes, Yadkin	5
24	Avery, Madison, Mitchell, Watauga, Yancey	4
25	Burke, Caldwell, Catawba	14
26	Mecklenburg	32
27A	Gaston	12
27B	Cleveland, Lincoln	8
28	Buncombe	10
29	Henderson, McDowell, Polk, Rutherford, Transylvania	11

30 Cherokee, Clay, Graham, 78
Haywood, Jackson, Macon,
Swain."

(b) This section becomes effective December 1, 1998.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton, Redwine

ADDITIONAL INVESTIGATORIAL ASSISTANTS

Section 16.21. G.S. 7A-69 reads as rewritten:

"§ 7A-69. Investigatorial assistants.

The district attorney in prosecutorial districts 1, 3B, 4, 6B, 7, 8, 10, 11, 12, 13, 14, 15A, 15B, 18, 19B, 20, 21, 24, 25, 26, 27A, 27B, 28, 29, and 30 is entitled to one investigatorial assistant to be appointed by the district attorney and to serve at his pleasure.

It shall be the duty of the investigatorial assistant to investigate cases preparatory to trial and to perform such other duties as may be assigned by the district attorney. The investigatorial assistant is entitled to reimbursement for his subsistence and travel expenses to the same extent as State employees generally."

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton, Daughtry, Hardy, Neely

ADD SPECIAL SUPERIOR COURT JUDGE/CLARIFY TERMS OF EXISTING SPECIAL SUPERIOR COURT JUDGES

Section 16.22. (a) G.S. 7A-45.1 is amended by adding a new subsection to read:

"(a3) Effective December 15, 1998, the Governor may appoint a special superior court judge to serve a term expiring five years from the date that judge takes office. Successors to the special superior court judge appointed pursuant to this subsection shall be appointed to five-year terms. A special judge takes the same oath of office and is subject to the same requirements and disabilities as are or may be prescribed by law for regular judges of the superior court, save the requirement of residence in a particular district."

(b) G.S. 7A-45.1(a2) reads as rewritten:

"(a2) Effective December 15, 1996, the Governor may appoint four special superior court judges to serve terms expiring ~~December 14, 2001.~~ five years from the date that each judge takes office. Successors to the special superior court judges appointed pursuant to this subsection shall be appointed to five-year terms. A special judge takes the same oath of office and is subject to the same requirements and disabilities as are or may be prescribed by law for regular judges of the superior court, save the requirement of residence in a particular district."

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

REPORTS ON VACANT POSITIONS

Section 16.23. The Judicial Department, the Department of Correction, the Department of Justice, and the Department of Crime Control and Public Safety shall each report by February 1 of each year to the Chairs of the House and Senate Appropriations Committees and the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety on all positions within that department that have remained vacant for 12 months or more. The report shall include the original position vacancy

dates, the dates of any postings or repostings of the positions, and an explanation for the length of the vacancies.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

PROJECT CHALLENGE REPORT

Section 16.24. Subsection (a) of Section 18.20 of S.L. 1997-443 reads as rewritten:

"(a) Of the funds appropriated in this act to the Administrative Office of the Courts for the ~~1997-98 fiscal year,~~ 1997-99 biennium, the sum of one hundred thousand dollars ($100,000) for the 1997-98 fiscal year and the sum of one hundred thousand dollars ($100,000) for the 1998-99 fiscal year shall be used to support the operation of Project Challenge North Carolina, Inc., a nonprofit corporation that provides alternative dispositions and services to juveniles who have been adjudicated delinquent or undisciplined in District Court ~~District~~ Districts 24, 25, 29, and 30 and for expansion of the ~~program.~~ program into additional districts. The funds shall be used to:

(1) Provide community resources and dispositional alternatives for juveniles in the form of community services, including services to the elderly and economically disadvantaged;

(2) Promote the involvement of juveniles in community programs that instill in juveniles pride in their communities and develop self-respect and the skills needed for them to be productive, responsible members of their communities;

(3) Coordinate with the local schools and State and local law enforcement to educate juveniles regarding the justice system and to promote respect for authority and an appreciation of societal laws and mores; and

(4) Collaborate with community agencies and organizations to provide guidance to and positive role models for juveniles."

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton, McCrary

RECONFORM THE MILEAGE REIMBURSEMENT FOR OUT-OF-STATE WITNESSES TO THAT RECEIVED BY IN-STATE WITNESSES AND STATE EMPLOYEES

Section 16.25. (a) G.S. 7A-314(c) reads as rewritten:

"(c) A witness who resides in a state other than North Carolina and who appears for the purpose of testifying in a criminal action and proves his attendance may be compensated at the rate ~~of ten cents (10¢) a mile~~ allowed to State officers and employees by subdivisions (1) and (2) of G.S. 138-6(a) for one round-trip from his place of residence to the place of appearance, and five dollars ($5.00) for each day that he is required to travel and attend as a witness, upon order of the court based upon a finding that the person was a necessary witness. If such a witness is required to appear more than one day, he is also entitled to reimbursement for actual expenses incurred for lodging and meals, not to exceed the maximum currently authorized for State employees."

(b) G.S. 15A-813 reads as rewritten:

"§ 15A-813. Witness from another state summoned to testify in this State.

If a person in any state which by its laws has made provision for commanding persons within its borders to attend and testify in criminal prosecutions, or grand jury investigations commenced or about to commence in this State, is a material witness in a prosecution pending in a court of record in this State, or in a grand jury investigation

which has commenced or is about to commence, a judge of such court may issue a certificate under the seal of the court, stating these facts and specifying the number of days the witness will be required. Said certificate may include a recommendation that the witness be taken into immediate custody and delivered to an officer of this State to assure his attendance in this State. This certificate shall be presented to a judge of a court of record in the county in which the witness is found.

If the witness is summoned to attend and testify in this State he shall be ~~tendered the sum of ten cents (10¢) a mile~~ compensated at the rate allowed to State officers and employees by subdivisions (1) and (2) of G.S. 138-6(a) for each mile by the ordinary traveled route to and from the court where the prosecution is pending, and five dollars ($5.00) for each day that he is required to travel and attend as a witness. A witness who has appeared in accordance with the provisions of the summons shall not be required to remain within this State a longer period of time than the period mentioned in the certificate unless otherwise ordered by the court. If such a witness is required to appear more than one day, he is also entitled to reimbursement for actual expenses incurred for lodging and meals, not to exceed the maximum currently authorized for State employees when traveling in the State. If such witness, after coming into this State, fails without good cause to attend and testify as directed in the summons, he shall be punished in the manner provided for the punishment of any witness who disobeys a summons issued from a court of record in this State."

(c) This section is effective when it becomes law and applies to all out-of-state witness travel expenses incurred on or after that date.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

COMPUTER REPLACEMENT FUNDS

Section 16.26. The Judicial Department may use up to the sum of five hundred thousand dollars ($500,000) from funds available during the 1998-99 fiscal year to replace computers and associated equipment in response to computer-related problems that may occur during the fiscal year and to purchase additional hardware or software necessary to complete the upgrade of the mainframe computer system. Prior to spending funds for these purposes, the Department shall report to the Chairs of the House and Senate Appropriations Committees and the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety on the expenditure of funds.

Requested by: Senators Odom, Gulley, Ballance, Rand, Wellons, Representatives Daughtry, Justus, Kiser, Thompson, Sexton

INCREASE COMPENSATION FOR EMERGENCY JUDGES

Section 16.27. (a) G.S. 7A-52(b) reads as rewritten:

"(b) In addition to the compensation or retirement allowance the judge would otherwise be entitled to receive by law, each emergency judge of the district or superior court who is assigned to temporary active service by the Chief Justice shall be paid by the State the judge's actual expenses, plus ~~two hundred dollars ($200.00)~~ three hundred dollars ($300.00) for each day of active service rendered upon recall. No recalled retired trial judge shall receive from the State total annual compensation for judicial services in excess of that received by an active judge of the bench to which the judge is recalled."

(b) The Judicial Department may use funds available to the Department for the 1998-99 fiscal year to provide the increase in compensation to emergency judges provided for in this section.

PART XVII. DEPARTMENT OF CORRECTION

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

REALLOCATE LAND TO NC STATE UNIVERSITY

Section 17. (a) The 17.4-acre tract of State-owned land adjacent to Schenck Forest that is described in the Memorandum of Agreement made in October 1992, by and between the North Carolina Department of Correction and North Carolina State University, is reallocated to North Carolina State University. The land shall be used for the purpose of teaching, research, and extension, including timber management practices, and forestry demonstration purposes associated with the North Carolina State University College of Forest Resources. North Carolina State University shall maintain this land in good condition according to current timber management practices.

(b) This section is effective when this act becomes law.

Requested by: Senators Gulley, Ballance, Representatives Justus, Kiser, Thompson

REPORT ON BOOT CAMPS

Section 17.1. Subsection (c) of Section 19 of Chapter 24 of the Session Laws of the 1994 Extra Session, as amended by Section 19.3 of Chapter 324 of the 1995 Session Laws, reads as rewritten:

"(c) The Department of Correction shall evaluate the IMPACT program and the post-Boot Camp probation program funded under this section and report by ~~January 1~~ March 1 of each year to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Corrections and Crime Control Oversight Committee, and the Fiscal Research Division. The evaluation of the IMPACT program and the post-Boot Camp probation program shall ~~include a comparison of that program's effectiveness, cost, and recidivism rate to other corrections programs for offenders in the same age group and similar offense classes as that covered by the IMPACT program.~~ focus on the performance, behavior, and attitudes of the offenders while in the program. Specific topics shall include measures of participation and completion, data on completion of educational, substance abuse treatment, and community service programs, drug testing and probation revocation statistics, and the current status of IMPACT graduates. The evaluation shall also include any available information on the difference in outcome among offenders who attend the IMPACT program only, offenders who attend both the IMPACT program and aftercare, and similar offenders who receive other intermediate sanctions."

Requested by: Senator Gulley, Representatives Justus, Kiser, Thompson

REIMBURSE COUNTIES FOR HOUSING AND EXTRAORDINARY MEDICAL COSTS FOR INMATES, PAROLEES, AND POST-RELEASE SUPERVISEES AWAITING TRANSFER TO STATE PRISON SYSTEM

Section 17.2. Section 19(b) of S.L. 1997-443 reads as rewritten:

"(b) The Department of Correction may use funds appropriated to the Department for the 1997-99 biennium to pay the sum of forty dollars ($40.00) per day as reimbursement to counties for the cost of housing convicted inmates and parolees and post-release supervisees awaiting transfer to the State prison system, as provided in G.S. 148-29. The Department shall report quarterly to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Corrections Oversight Committee, the Chairs of the Senate and House Appropriations Committees, and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety on the expenditure of funds

to reimburse counties for prisoners awaiting transfer and on its progress in reducing the jail backlog.

Prior to the expenditure of more than the sum of six million five hundred thousand dollars ($6,500,000) for the 1997-98 fiscal year or more than the sum of ~~four million dollars ($4,000,000)~~ two million dollars ($2,000,000) for the 1998-99 fiscal year to reimburse counties for prisoners awaiting transfer, the Department of Correction and the Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental ~~Operations~~ Operations, the Chairs of the Senate and House Appropriations Committees, and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety on the necessity of that expenditure."

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Thompson, Kiser, Sexton

INMATE HOUSING FUNDS

Section 17.3. (a) The Department of Correction may use funds available to the Department for the 1998-99 fiscal year to contract for prison beds to house inmates in local jails. Prior to the expenditure of more than the sum of three million dollars ($3,000,000) in additional funds authorized by this section to contract for local jail beds, the Department of Correction and the Office of State Budget and Management shall report to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety on the necessity of that expenditure.

(b) The Department of Correction and the Office of State Budget and Management shall report by December 1, 1998, to the Chairs of the Joint Legislative Corrections and Crime Control Oversight Committee, the Chairs of the Senate and House Appropriations Committee, and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety on the status of contracts to house inmates in local jails, including the amount expended to date, the anticipated amount to be expended, and the dates each contract is expected to terminate.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

USE OF FACILITIES CLOSED UNDER GPAC

Section 17.4. Subsection (a) of Section 19.4 of S.L. 1997-443 reads as rewritten:

"(a) In conjunction with the closing of small expensive prison units recommended for consolidation by the Government Performance Audit Committee, the Department of Correction shall consult with the county or municipality in which the unit is ~~located or any private for-profit or nonprofit firm~~ located, with the elected State and local officials, and with State agencies about the possibility of converting that unit to other use. The Department may also consult with any private for-profit or nonprofit firm about the possibility of converting the unit to other use. In developing a proposal for future use of each unit, the Department shall give priority to converting the unit to other criminal justice use. Consistent with existing law and ~~its future needs, the Department~~ the future needs of the Department of Correction, the State may provide for the transfer or the lease ~~for 20 years or more~~ of any of these units to counties, municipalities, State agencies, or private firms wishing to convert them to other use. The Department of Correction may also consider converting some of the units recommended for closing from medium security to minimum security, where that conversion would be cost-effective. A prison unit under lease to a county pursuant to the provisions of this section for use as a jail is

exempt for the period of the lease from any of the minimum standards adopted by the Secretary of Human Resources pursuant to G.S. 153A-221 for the housing of adult prisoners that would subject the unit to greater standards than those required of a unit of the State prison system.

Prior to any transfer or lease of these units, the Department of Correction shall report on the terms of the proposed transfer or lease to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Corrections Oversight Committee. The Department of Correction shall also provide quarterly summary reports to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Corrections Oversight Committee on the conversion of these units to other use and on all leases or transfers entered into pursuant to this section."

Requested by: Senator Gulley, Representatives Justus, Kiser, Thompson

MODIFICATION OF FUNDING FORMULA FOR THE NORTH CAROLINA STATE-COUNTY CRIMINAL JUSTICE PARTNERSHIP ACT

Section 17.5. Subsection (a) of Section 19.8 of S.L. 1997-443 reads as rewritten:

"(a) Notwithstanding the funding formula set forth in G.S. 143B-273.15, ~~grants~~ appropriations made to the Department of Correction through the North Carolina State-County Criminal Justice Partnership Act for the ~~1997-98 fiscal year~~ 1997-99 biennium shall be distributed to the counties as specified in G.S. 143B-273.15(2) only, and not as discretionary funds. The Department may also use funds from the State-County Criminal Justice Partnership Account in order to maintain the counties' allocations of nine million six hundred thousand dollars ($9,600,000) as provided in previous fiscal years. Appropriations not claimed or expended by the counties during the 1997-99 biennium shall be distributed as specified in G.S. 143B-273.15(1)."

Requested by: Senator Gulley, Representatives Justus, Kiser, Thompson

PROGRESS REPORT/PERFORMANCE AUDIT OF DIVISION OF ADULT PROBATION AND PAROLE

Section 17.6. The Division of Adult Probation and Parole shall report to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety and the Fiscal Research Division by January 1, 1999, on any actions taken or planned in response to the June 1, 1998, performance audit of the Division. The report shall include details on any changes in funding, classification, staffing levels, or organization structure that have occurred since the June 1 audit and should highlight those changes that are directly related to issues raised in the audit.

Requested by: Senator Gulley, Representatives Justus, Kiser, Thompson

FUNDING OF PRISON ROAD SQUADS

Section 17.7. In preparing the continuation budget, the Office of State Budget and Management shall adjust the estimated receipts from the Highway Fund to the Department of Correction for the use of prison road squads to reflect only those costs authorized for reimbursement by G.S. 148-26.5.

Requested by: Senator Gulley, Representatives Justus, Kiser, Thompson

INMATE COSTS

Section 17.8. Section 19.20 of S.L. 1997-443 reads as rewritten:

"Section 19.20. The Department of Correction may use funds available to the Department for the 1997-99 biennium to pay the cost of providing food and health care to inmates housed in the Division of Prisons ~~if:~~

~~(1) The prison population exceeds the December 1996 population projections of the North Carolina Sentencing and Policy Advisory Commission; and~~

~~(2)~~ ~~The~~ if the cost of providing food and health care to inmates is anticipated to exceed the continuation budget amounts provided for that purpose in this act.

Prior to making any expenditure authorized by this section, the Department of Correction shall report on its need to use these additional funds to the Joint Legislative Commission on Governmental Operations, ~~the Joint Legislative Corrections Oversight Committee, and~~ the Chairs of the House and Senate Appropriations ~~Committees.~~ Committees, and the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety.

The Office of State Budget and Management, in consultation with the Department of Correction, shall (i) analyze the basis for increases in the cost of providing food service and health care to inmates since the 1994-95 fiscal year, including an analysis of the major areas of expenditure growth, and an identification of major areas where cost-efficient actions have been taken, and (ii) determine future actions that will improve efficiency in the delivery of food service and health care to inmates. The Office of State Budget and Management shall report on the results of this study to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety by February 15, 1999."

Requested by: Senator Gulley, Representatives Justus, Kiser, Thompson

TITLE VII FUNDS/REPORT

Section 17.9. Section 19.18 of S.L. 1997-443 reads as rewritten:

"Section 19.18. The Department of Correction may use funds available to the Department during the ~~1997-98 fiscal year~~ 1997-99 biennium for payment to claimants as part of the settlement of the Title VII lawsuit over the recruitment, hiring, and promotion of females in the Department. Prior to final settlement of the lawsuit, the Department shall report on the proposed settlement to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Corrections Oversight Committee, and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety."

Requested by: Senator Gulley, Representatives Justus, Kiser, Thompson

DIRECT CRIMINAL JUSTICE EDUCATION AND TRAINING STANDARDS COMMISSION TO REVISE HIRING AND RECORD-KEEPING PROCEDURES FOR EMPLOYEES OF DEPARTMENT OF CORRECTION

Section 17.10. (a) Section 19.28 of S.L. 1997-443 reads as rewritten:

"Section 19.28. No later than ~~June 30, 1998,~~ November 15, 1998, the Criminal Justice Education and Training Standards Commission shall reestablish the hiring and record-keeping procedures for the employment of certified positions in the Department of Correction."

(b) The Criminal Justice Education and Training Standards Commission shall report by ~~October 1, 1998,~~ November 15, 1998, to the Joint Legislative Corrections and Crime Control Oversight Committee, the Chairs of the Senate and House Appropriations Committees, and the Chairs of the Senate and House Appropriations

Subcommittees on Justice and Public Safety on its progress in complying with the provisions of this section.

(c) This section becomes effective June 30, 1998.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

FEDERAL GRANT MATCHING FUNDS

Section 17.11. Notwithstanding the provisions of G.S. 148-2, the Department of Correction may use up to the sum of eight hundred seventy-five thousand dollars ($875,000) from funds available to the Department to provide the State match needed in order to receive federal grant funds. Prior to using funds for this purpose, the Department shall report to the Chairs of the Appropriations Subcommittees on Justice and Public Safety and the Joint Legislative Commission on Governmental Operations on the grants to be matched using these funds.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Plyler, Kerr, Representatives Justus, Kiser, Thompson, Sexton

SUBSTANCE ABUSE FUNDS

Section 17.12. (a) The balance of the four hundred sixty-seven thousand eight hundred six dollars ($467,806) appropriated in S.L. 1997-443 to the Department of Correction for the 1997-98 fiscal year to be allocated to the DART/DWI aftercare program at Cherry Hospital shall not revert at the end of the fiscal year but shall remain available to the Department during the 1998-99 fiscal year to be used as authorized in this section.

(b) Of the funds appropriated to the Department of Correction for the 1998-99 fiscal year and the funds available pursuant to subsection (a) of this section:

(1) The Department may use up to the sum of three hundred nineteen thousand seven hundred fifteen dollars ($319,715) for DART/DWI aftercare;

(2) The Department may use up to the sum of one hundred twenty-five thousand dollars ($125,000) for contractual services for the Substance Abuse Program (i) to assist in identifying the type of program and management information that should be collected to allow for offender and inmate tracking and program evaluation; (ii) for staff training related to the tracking and evaluation system described in this subsection; and (iii) for other staff training, with priority given to training in proper screening and assessment procedures for identifying inmates with substance abuse problems.

(3) The sum of one hundred thousand dollars ($100,000) shall be placed in a reserve for the purchase of hardware and software needed to implement the offender and inmate tracking and program evaluation system for the Substance Abuse Program developed pursuant to subdivision (b)(2) of this section.

The Department shall report by December 15, 1998, to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety on their progress in identifying and retaining consultants to assist in developing a plan for an offender and inmate tracking and program evaluation system. Funds in the reserve established in subdivision (3) of this section may not be allocated for this purpose until the Department has submitted a plan for an offender and inmate tracking and program evaluation system.

If the Department has presented its final plan in writing to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety by March 15, 1999, funds in the reserve may be allocated for implementation of the plan. If the Department has not submitted its plan by March 15, 1999, the funds shall be allocated by the 1999 General Assembly.

(c) Any funds remaining after the Department of Correction has used the authorized funds for the purposes provided by subsection (b) of this section may be used for innovative pilot projects for offenders with substance abuse problems and for the expansion of program evaluation of the Substance Abuse Program.

(d) The Department of Correction shall report by March 1 of each year to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety on their efforts to provide effective treatment to offenders with substance abuse problems. The report shall include:

(1) Details of any new initiatives and expansion or reduction of programs;

(2) Details on any treatment efforts conducted in conjunction with other departments;

(3) Utilization of the DART/DWI program, including its aftercare program;

(4) Progress in the development of an offender and inmate tracking and program evaluation system; and

(5) A report on the number of current inmates with substance abuse problems, the numbers currently receiving treatment, and the numbers who have completed treatment. As an offender and inmate tracking system becomes operational, this report shall also include information on the recidivism of inmates who have previously completed substance abuse treatment and been released from prison.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

POST-RELEASE SUPERVISION AND PAROLE COMMISSION/REPORT ON STAFFING REORGANIZATION AND REDUCTION

Section 17.13. The Post-Release Supervision and Parole Commission shall report by March 1, 1999, to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety and upon request of the Chairs of the Joint Legislative Corrections and Crime Control Oversight Committee to that Committee after March 1, 1999, on:

(1) The Commission's progress in reviewing cases requiring review in light of the decision of the North Carolina Supreme Court in **Robbins v. Freeman**; and

(2) An updated transition plan for implementing staff reductions through the 2002-2003 fiscal year, including a minimum ten percent (10%) reduction in staff positions in the 1999-2000 fiscal year over the 1998-99 fiscal year.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

PRIVATE PRISON CONTRACTS

Section 17.14. If the Department of Correction determines, in consultation with the Attorney General's Office, the Office of State Budget and Management, and the

Corrections Corporation of America, that it is appropriate to make a significant modification of the financial terms of the contracts for the leasing and operation of one or both of the two private confinement facilities in Pamlico and Avery/Mitchell, the Department may use funds available to the Department for the 1998-99 fiscal year to modify the lease contract and the operating agreement as necessary. Prior to taking actions or obligating funds as authorized by this section, the Department of Correction shall report to the Joint Legislative Commission on Governmental Operations, the Chairs of the Senate and House Appropriations Committees, and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety on the justification for using available funds to modify the contracts.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

STUDY SPECIAL EDUCATION OBLIGATIONS OF DEPARTMENT OF CORRECTION

Section 17.15. The Joint Legislative Education Oversight Committee and the Joint Legislative Corrections and Crime Control Oversight Committee shall study the issue of limiting the obligations of the Department of Correction to provide special education and related services to incarcerated youth ages 18 through 21. The Committees shall consider the recent amendment to the federal Individuals with Disabilities Education Act (IDEA) that allows states to reduce the responsibility of their prisons to identify and serve inmates not previously identified and served in the public schools. The Committees shall report their findings and recommendations to the 1999 General Assembly.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Cooper, Representatives Justus, Kiser, Thompson, Sexton

ADDITIONAL PRISON BEDS/PROVIDE THAT A SENTENCE OF LIFE IMPRISONMENT WITHOUT PAROLE SHALL BE IMPOSED FOR A SECOND OR SUBSEQUENT CONVICTION OF A CLASS B1 FELONY IF THERE ARE NO MITIGATING CIRCUMSTANCES AND THE VICTIM IS THIRTEEN YEARS OF AGE OR YOUNGER/ENHANCE THE PUNISHMENT IMPOSED FOR INJURING A PREGNANT WOMAN IN THE COMMISSION OF A FELONY, OR ACT OF DOMESTIC VIOLENCE, CAUSING A MISCARRIAGE OR STILLBIRTH/INCREASE THE PENALTY FOR CRUELTY TO ANIMALS AND PROHIBIT GREYHOUND RACING IN NORTH CAROLINA/INCREASE OR ESTABLISH CRIMINAL AND CIVIL PENALTIES FOR THE OFFENSES OF SELLING DRUGS TO A MINOR, HIRING OR INTENTIONALLY USING A MINOR TO COMMIT A DRUG LAW VIOLATION, AND PURCHASING OR RECEIVING DRUGS FROM A MINOR/CLARIFY A LANDLORD'S OBLIGATION TO INSTALL SMOKE DETECTORS, REQUIRE A TENANT TO NOTIFY A LANDLORD IN WRITING IF A SMOKE DETECTOR NEEDS TO BE REPLACED OR REPAIRED, IMPOSE A CIVIL PENALTY IF A LANDLORD FAILS TO PROVIDE, INSTALL, REPLACE, OR REPAIR A SMOKE DETECTOR IN A RESIDENTIAL RENTAL DWELLING, AND IMPOSE A CIVIL PENALTY IF A TENANT INTERFERES OR MAKES INOPERATIVE A SMOKE DETECTOR IN A RESIDENTIAL RENTAL DWELLING

Section 17.16. (a) Article 81B of Chapter 15A of the General Statutes is amended by adding a new section to read:

"§ 15A-1340.16B. Life imprisonment without parole for a second or subsequent conviction of a Class B1 felony.

(a) Notwithstanding the sentencing dispositions in G.S. 15A-1340.17, a person convicted of a Class B1 felony shall be sentenced to life imprisonment without parole if:

(1) The offense was committed against a victim who was 13 years of age or younger at the time of the offense;

(2) The person has one or more prior convictions of a Class B1 felony; and

(3) The court finds that there are no mitigating factors in accordance with G.S. 15A-1340.16(e).

(b) If the sentencing court finds that there are mitigating circumstances, then the court shall sentence the person in accordance with G.S. 15A-1340.17.

(c) A prior conviction of a Class B1 felony shall be proved in accordance with G.S. 15A-1340.14."

(b) Article 6 of Chapter 14 of the General Statutes is amended by adding a new section to read:

"§ 14-18.2. Injury to pregnant woman.

(a) Definitions. -- The following definitions shall apply in this section:

(1) Miscarriage. -- The interruption of the normal development of the fetus, other than by a live birth, and which is not an induced abortion permitted under G.S. 14-45.1, resulting in the complete expulsion or extraction from a pregnant woman of the fetus.

(2) Stillbirth. -- The death of a fetus prior to the complete expulsion or extraction from a woman irrespective of the duration of pregnancy and which is not an induced abortion permitted under G.S. 14-45.1.

(b) A person who in the commission of a felony causes injury to a woman, knowing the woman to be pregnant, which injury results in a miscarriage or stillbirth by the woman is guilty of a felony that is one class higher than the felony committed.

(c) A person who in the commission of a misdemeanor that is an act of domestic violence as defined in Chapter 50B of the General Statutes causes injury to a woman, knowing the woman to be pregnant, which results in miscarriage or stillbirth by the woman is guilty of a misdemeanor that is one class higher than the misdemeanor committed. If the offense was a Class A1 misdemeanor, the defendant is guilty of a Class I felony.

(d) This section shall not apply to acts committed by a pregnant woman which result in a miscarriage or stillbirth by the woman."

(c) G.S. 14-360 reads as rewritten:

"§ 14-360. Cruelty to animals; construction of section.

(a) If any person shall ~~willfully~~ intentionally overdrive, overload, wound, injure, ~~torture,~~ torment, kill, or deprive of necessary sustenance, ~~cruelly beat, needlessly mutilate or kill~~ or cause or procure to be overdriven, overloaded, wounded, injured, ~~tortured,~~ tormented, killed, or deprived of necessary sustenance, ~~cruelly beaten, needlessly mutilated or killed as aforesaid, any useful beast, fowl or~~ any animal, every such offender shall for every such offense be guilty of a Class 1 misdemeanor. ~~In this section, and in every law which may be enacted relating to animals, the words "animal" and "dumb animal" shall be held to include every living creature; the words "torture," "torment" or "cruelty" shall be held to include every act, omission or neglect whereby unjustifiable physical pain, suffering or death is caused or permitted. Such terms shall not be construed to prohibit the lawful taking of animals under the jurisdiction and regulation of the Wildlife Resources Commission.~~

(b) If any person shall maliciously torture, mutilate, maim, cruelly beat, disfigure, poison, or kill, or cause or procure to be tortured, mutilated, maimed, cruelly beaten, disfigured, poisoned, or killed, any animal, every such offender shall for every such

offense be guilty of a Class I felony. However, nothing in this section shall be construed to increase the penalty for cockfighting provided for in G.S. 14-362.

(c) As used in this section, the words `torture', `torment', and `cruelly' include or refer to any act, omission, or neglect causing or permitting unjustifiable pain, suffering, or death. As used in this section, the word `intentionally' refers to an act committed knowingly and without justifiable excuse, while the word `maliciously' means an act committed intentionally and with malice or bad motive. As used in this section, the term `animal' includes every living vertebrate except human beings. However, this section shall not apply to the following activities:

(1) The lawful taking of animals under the jurisdiction and regulation of the Wildlife Resources Commission, except that this section shall apply to those birds exempted by the Wildlife Resources Commission from its definition of `wild birds' pursuant to G.S. 113-129(15a);

(2) Lawful activities conducted for purposes of biomedical research or training or for purposes of production of livestock or poultry;

(3) Activities conducted for lawful veterinary purposes; or

(4) The lawful destruction of any animal for the purposes of protecting the public, other animals, property, or the public health."

(d) Article 37 of Chapter 14 of the General Statutes is amended by adding a new Part to read:

"Part 3. Greyhound Racing.

"§ 14-309.20. Greyhound racing prohibited.

(a) No person shall hold, conduct, or operate any greyhound races for public exhibition in this State for monetary remuneration.

(b) No person shall transmit or receive interstate or intrastate simulcasting of greyhound races for commercial purposes in this State.

(c) Any person who violates this section shall be guilty of a Class 1 misdemeanor."

(e) G.S. 90-95(e) reads as rewritten:

"(e) The prescribed punishment and degree of any offense under this Article shall be subject to the following conditions, but the punishment for an offense may be increased only by the maximum authorized under any one of the applicable conditions:

(1), (2) Repealed by Session Laws 1979, c. 760, s. 5.

(3) If any person commits a Class 1 misdemeanor under this Article and if he has previously been convicted for one or more offenses under any law of North Carolina or any law of the United States or any other state, which offenses are punishable under any provision of this Article, he shall be punished as a Class I felon. The prior conviction used to raise the current offense to a Class I felony shall not be used to calculate the prior record level;

(4) If any person commits a Class 2 misdemeanor, and if he has previously been convicted for one or more offenses under any law of North Carolina or any law of the United States or any other state, which offenses are punishable under any provision of this Article, he shall be guilty of a Class 1 misdemeanor. The prior conviction used to raise the current offense to a Class 1 misdemeanor shall not be used to calculate the prior conviction level;

(5) Any person 18 years of age or over who violates G.S. 90-95(a)(1) by selling or delivering a controlled substance to a person under 16 years of age but more than 13 years of age or a pregnant female shall be punished as a Class D felon. Any person 18 years of age or over who

violates G.S. 90-95(a)(1) by selling or delivering a controlled substance to a person who is 13 years of age or younger shall be punished as a Class C felon. Mistake of age is not a defense to a prosecution under this section. It shall not be a defense that the defendant did not know that the recipient was pregnant;

(6) For the purpose of increasing punishment under G.S. 90-95(e)(3) and (e)(4), previous convictions for offenses shall be counted by the number of separate trials at which final convictions were obtained and not by the number of charges at a single trial;

(7) If any person commits an offense under this Article for which the prescribed punishment requires that any sentence of imprisonment be suspended, and if he has previously been convicted for one or more offenses under any law of North Carolina or any law of the United States or any other state, which offenses are punishable under any provision of this Article, he shall be guilty of a Class 2 misdemeanor;

(8) Any person 21 years of age or older who commits an offense under G.S. 90-95(a)(1) on property used for an elementary or secondary school or within 300 feet of the boundary of real property used for an elementary or secondary school shall be punished as a Class E felon. For purposes of this subdivision, the transfer of less than five grams of marijuana for no remuneration shall not constitute a delivery in violation of G.S. 90-95(a)(1).

(9) Any person who violates G.S. 90-95(a)(3) on the premises of a penal institution or local confinement facility shall be guilty of a Class H felony."

(f) G.S. 90-95.4 reads as rewritten:

"§ 90-95.4. Employing or intentionally using minor to commit a drug law violation.

(a) A person who is at least 18 years old but less than 21 years old who hires or intentionally uses a minor to violate G.S. 90-95(a)(1) shall be guilty of a felony. An offense under this subsection shall be punishable as follows:

(1) If the minor was more than 13 years of age, then as a felony that is one class more severe than the violation of G.S. 90-95(a)(1) for which the minor was ~~hired.~~ hired or intentionally used.

(2) If the minor was 13 years of age or younger, then as a felony that is two classes more severe than the violation of G.S. 90-95(a)(1) for which the minor was hired or intentionally used.

(b) A person 21 years of age or older who hires or intentionally uses a minor to violate G.S. 90-95(a)(1) shall be guilty of a felony. An offense under this subsection shall be punishable as follows:

(1) If the minor was more than 13 years of age, then as a felony that is ~~two~~ three classes more severe than the violation of G.S. 90-95(a)(1) for which the minor was ~~hired.~~ hired or intentionally used.

(2) If the minor was 13 years of age or younger, then as a felony that is four classes more severe than the violation of G.S. 90-95(a)(1) for which the minor was hired or intentionally used.

(c) Mistake of Age. Mistake of age is not a defense to a prosecution under this section.

(d) The term `minor' as used in this section is defined as an individual who is less than 18 years of age."

(g) G.S. 90-95.5 reads as rewritten:

"§ 90-95.5. Civil liability - employing a minor to commit a drug offense.

A person 21 years of age or older, who ~~hires or employs~~ hires, employs, or intentionally uses a person under 18 years of age to commit a violation of G.S. 90-95 is liable in a civil action for damages for drug addiction proximately caused by the violation. The doctrines of contributory negligence and assumption of risk are no defense to liability under this section."

(h) Article 5 of Chapter 90 of the General Statutes is amended by adding the following new sections to read:

"§ 90-95.6. Promoting drug sales by a minor.

(a) A person who is 21 years of age or older is guilty of promoting drug sales by a minor if the person knowingly:

(1) Entices, forces, encourages, or otherwise facilitates a minor in violating G.S. 90-95(a)(1).

(2) Supervises, supports, advises, or protects the minor in violating G.S. 90-95(a)(1).

(b) Mistake of age is not a defense to a prosecution under this section.

(c) A violation of this section is a Class D felony.

"§ 90-95.7. Participating in a drug violation by a minor.

(a) A person 21 years of age or older who purchases or receives a controlled substance from a minor 13 years of age or younger who possesses, sells, or delivers the controlled substance in violation of G.S. 90-95(a)(1) is guilty of participating in a drug violation of a minor.

(b) Mistake of age is not a defense to a prosecution under this section.

(c) A violation of this section is a Class G felony."

(i) G.S. 42-42(a) reads as rewritten:

"(a) The landlord shall:

(1) Comply with the current applicable building and housing codes, whether enacted before or after October 1, 1977, to the extent required by the operation of such codes; no new requirement is imposed by this subdivision (a)(1) if a structure is exempt from a current building ~~code;~~ code.

(2) Make all repairs and do whatever is necessary to put and keep the premises in a fit and habitable ~~condition;~~ condition.

(3) Keep all common areas of the premises in safe ~~condition;~~ condition.

(4) Maintain in good and safe working order and promptly repair all electrical, plumbing, sanitary, heating, ventilating, air conditioning, and other facilities and appliances supplied or required to be supplied by ~~him~~ the landlord provided that notification of needed repairs is made to the landlord in writing by the ~~tenant~~ tenant, except in emergency ~~situations; and~~ situations.

(5) Provide operable smoke detectors, either battery-operated or electrical, having an Underwriters' Laboratories, Inc., listing or other equivalent national testing laboratory approval, ~~that are installed~~ and install the smoke detectors in accordance with either the standards of the National Fire Protection Association or the minimum protection designated in the manufacturer's instructions, which the landlord shall retain or provide as proof of compliance. The landlord ~~must~~ shall replace or repair the smoke detectors within 15 days of receipt of notification ~~provided~~ if the landlord is notified of needed replacement or repairs in writing by the tenant. The landlord shall ensure that a smoke detector is operable and in good repair at the beginning of each tenancy. Unless

the landlord and the tenant have a written agreement to the contrary, the landlord ~~must~~ shall place new batteries in a battery-operated smoke detector at the beginning of a tenancy and the tenant ~~must~~ shall replace the batteries as needed during the tenancy. Failure of the tenant to replace the batteries as needed shall not be considered as negligence on the part of the tenant or the landlord."

(j) G.S. 42-43(a) reads as rewritten:

"(a) The tenant shall:

(1) Keep that part of the premises ~~which he~~ that the tenant occupies and uses as clean and safe as the conditions of the premises permit and cause no unsafe or unsanitary conditions in the common areas and remainder of the premises ~~which he uses;~~ that the tenant uses.

(2) Dispose of all ashes, rubbish, garbage, and other waste in a clean and safe ~~manner;~~ manner.

(3) Keep all plumbing fixtures in the dwelling unit or used by the tenant as clean as their condition ~~permits;~~ permits.

(4) Not deliberately or negligently destroy, deface, damage, or remove any part of the premises, nor render inoperable the smoke detector provided by the landlord, or knowingly permit any person to do ~~so;~~ so.

(5) Comply with any and all obligations imposed upon the tenant by current applicable building and housing ~~codes;~~ codes.

(6) Be responsible for all damage, defacement, or removal of any property inside a dwelling unit in ~~his~~ the tenant's exclusive control unless ~~said~~ the damage, defacement or removal was due to ordinary wear and tear, acts of the landlord or ~~his~~ the landlord's agent, defective products supplied or repairs authorized by the landlord, acts of third parties not invitees of the tenant, or natural ~~forces; and~~ forces.

(7) Notify the ~~landlord~~ landlord, in writing, of the need for replacement of or repairs to a smoke detector. ~~Nothing in this bill shall prohibit an individual landlord in a written agreement with the tenant from requiring the tenant to provide notice in writing of the need for replacement of or repairs to a smoke detector.~~ The landlord shall ensure that a smoke detector is operable and in good repair at the beginning of each tenancy. Unless the landlord and the tenant have a written agreement to the contrary, the landlord ~~must~~ shall place new batteries in a battery-operated smoke detector at the beginning of a tenancy and the tenant ~~must~~ shall replace the batteries as needed during the tenancy. Failure of the tenant to replace the batteries as needed shall not be considered as negligence on the part of the tenant or the landlord."

(k) G.S. 42-44 reads as rewritten:

"§ 42-44. General ~~remedies~~ remedies, penalties, and limitations.

(a) Any right or obligation declared by this Chapter is enforceable by civil action, in addition to other remedies of law and in equity.

(a1) If a landlord fails to provide, install, replace, or repair a smoke detector under the provisions of G.S. 42-42(a)(5) within 30 days of having received written notice from the tenant or any agent of State or local government of the landlord's failure to do so, the landlord shall be responsible for an infraction and shall be subject to a fine of not more than two hundred fifty dollars ($250.00) for each violation. The landlord may temporarily disconnect a smoke detector in a dwelling unit or common area for

construction or rehabilitation activities when such activities are likely to activate the smoke detector or make it inactive.

(a2) If a smoke detector is disabled or damaged, other than through actions of the landlord, the landlord's agents, or acts of God, the tenant shall reimburse the landlord the reasonable and actual cost for repairing or replacing the smoke detector within 30 days of having received written notice from the landlord or any agent of State or local government of the need for the tenant to make such reimbursement. If the tenant fails to make reimbursement within 30 days, the tenant shall be responsible for an infraction and subject to a fine of not more than one hundred dollars ($100.00) for each violation. The tenant may temporarily disconnect a smoke detector in a dwelling unit to replace the batteries or when it has been inadvertently activated.

(b) Repealed by Session Laws 1979, c. 820, s. 8.

(c) The tenant may not unilaterally withhold rent prior to a judicial determination of a right to do so.

(d) A violation of this Article shall not constitute negligence per se."

(l) This section becomes effective January 1, 1999, and applies to offenses committed on or after that date.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Holmes, Esposito, Creech, Crawford, Justus, Kiser, Thompson, Sexton

DISCLOSURE OF CONVICTION OF CERTAIN CRIMES NOT REQUIRED IN SALE OR LEASE OF REAL PROPERTY

Section 17.16A. (a) G.S. 39-50 reads as rewritten:

"§ 39-50. ~~Death or illness of previous occupant.~~ Death, illness, or conviction of certain crimes not a material fact.

In offering real property for sale it shall not be deemed a material fact that the real property was occupied previously by a person who died or had a serious illness while occupying the ~~property;~~ property or that a person convicted of any crime for which registration is required by Article 27A of Chapter 14 of the General Statutes occupies, occupied, or resides near the property; provided, however, that no seller may knowingly make a false statement regarding ~~such past occupancy.~~ any such fact."

(b) G.S. 42-14.2 reads as rewritten:

"§ 42-14.2. ~~Death or illness of previous occupant.~~ Death, illness, or conviction of certain crimes not a material fact.

In offering real property for rent or lease it shall not be deemed a material fact that the real property was occupied previously by a person who died or had a serious illness while occupying the ~~property;~~ property or that a person convicted of any crime for which registration is required by Article 27A of Chapter 14 of the General Statutes occupies, occupied, or resides near the property; provided, however, that no landlord or lessor may knowingly make a false statement regarding ~~such past occupancy.~~ any such fact."

(c) This section becomes effective December 1, 1998.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

USE OF FEDERAL PRISON CONSTRUCTION GRANT FUNDS

Section 17.18. Section 19.22 of S.L. 1997-443 reads as rewritten:

"Section 19.22. The Department of Correction shall use federal grant funds received from the U.S. Justice Department as part of the Violent Offender Incarceration Program and the Truth-In-Sentencing Incentive Grant Program and any State funds appropriated

for the further planning and design and construction of the following State prison facilities, provided that the project meets the criteria of the federal grant program:

Facility	Location	Number of Beds	Custody
Central Prison Diagnostic Center	Wake	196	Close
Warren Correctional Institution	Warren	168	Med/Close
Improvements to NCCIW	Wake	208	Med/Close
Scotland Facility	Scotland	712	Close
Alexander Facility (or replacement site)	Alexander	520	Close
Metro Facility	Charlotte Area	520	Close

~~No more than the sum of seventeen million five hundred thousand dollars ($17,500,000) in federal funds may be allocated to the Central Prison Diagnostic Center Project, the proposed revised Phase I of the Central Prison Master Plan, or the planning and design of the Warren, NCCIW, or Metro projects until federal funds have been allocated to complete the working drawings phase of planning and design for the Alexander and Scotland Close Custody Prison Facilities.~~

If the Department of Correction identifies a replacement for the Alexander Facility, the Department of Correction shall report on the site selected to the Chairs of the Senate and House Appropriations Committees, the Senate and House Appropriations Subcommittees on Justice and Public Safety, and the Joint Legislative Corrections and Crime Control Oversight Committee.

Prior to major redesign or expansion of plans for Scotland, Alexander, and Metro, the Department of Correction shall report to the Chairs of the Senate and House Appropriations Committees, the Senate and House Appropriations Subcommittees on Justice and Public Safety, and the Joint Legislative Corrections and Crime Control Oversight Committee.

The Department of Correction shall not initiate further construction on any of the projects listed in this section other than the Central Prison Diagnostic Center, which is already under contract, or on the Central Prison Medical Center project until the Department reports to the Chairs of the Senate and House Appropriations Committees, the Senate and House Appropriations Subcommittees on Justice and Public Safety, and the Joint Legislative Corrections and Crime Control Oversight Committee on the proposed construction plans and the short-term and long-term costs of the projects.

The Department of Correction shall report ~~quarterly~~ by November 1, 1998, to the Chairs of the Senate and House Appropriations Committees, the Senate and House Appropriations Subcommittees on Justice and Public Safety, ~~to the Joint Legislative Commission on Governmental Operations and~~ the Joint Legislative Corrections and Crime Control Oversight Committee on the allocation of any federal funds received and of anticipated future federal grant funds."

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton, Redwine, Smith

INCREASE PENALTY FOR DOMESTIC CRIMINAL TRESPASS IF THE TRESPASS IS COMMITTED UPON PROPERTY OPERATED AS A SAFE

HOUSE FOR VICTIMS OF DOMESTIC VIOLENCE AND THE PERSON TRESPASSING IS ARMED WITH A DEADLY WEAPON

Section 17.19. (a) G.S. 14-134.3 reads as rewritten:

"§ 14-134.3. Domestic criminal trespass.

(a) Any person who enters after being forbidden to do so or remains after being ordered to leave by the lawful occupant, upon the premises occupied by a present or former spouse or by a person with whom the person charged has lived as if married, shall be guilty of a misdemeanor if the complainant and the person charged are living apart; provided, however, that no person shall be guilty if said person enters upon the premises pursuant to a judicial order or written separation agreement which gives the person the right to enter upon said premises for the purpose of visiting with minor children. Evidence that the parties are living apart shall include but is not necessarily limited to:

(1) A judicial order of separation;

(2) A court order directing the person charged to stay away from the premises occupied by the complainant;

(3) An agreement, whether verbal or written, between the complainant and the person charged that they shall live separate and apart, and such parties are in fact living separate and apart; or

(4) Separate places of residence for the complainant and the person charged.

~~On~~ Except as provided in subsection (b) of this section, upon conviction, said person is guilty of a Class 1 misdemeanor.

(b) A person convicted of a violation of this section is guilty of a Class G felony if the person is trespassing upon property operated as a safe house or haven for victims of domestic violence and the person is armed with a deadly weapon at the time of the offense."

(b) This section becomes effective January 1, 1999, and applies to offenses committed on or after that date.

Requested by: Representatives Dockham, Justus, Kiser, Thompson, McCrary

REQUIRE INMATE ROAD SQUADS IN DAVIDSON COUNTY TO WEAR UNIFORMS IDENTIFYING THEM AS INMATES

Section 17.20. The Department of Correction and the Department of Transportation shall require all inmate road squads, maintenance road squads, and community work crews working in Davidson County to wear horizontally striped uniforms with stripes of three inches in width and color-coded by inmate classification in a manner consistent with the color-coding used by Davidson County for its road squads.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

CONVERT IMPACT TO RESIDENTIAL PROGRAM

Section 17.21. (a) G.S. 15A-1343(b1) reads as rewritten:

"(b1) Special Conditions. -- In addition to the regular conditions of probation specified in subsection (b), the court may, as a condition of probation, require that during the probation the defendant comply with one or more of the following special conditions:

(1) Undergo available medical or psychiatric treatment and remain in a specified institution if required for that purpose.

(2) Attend or reside in a facility providing rehabilitation, counseling, treatment, social skills, or employment training, instruction, recreation, or residence for persons on probation.

(2a) Submit to a period of ~~confinement in a facility operated by the Department of Correction~~ residential treatment in the Intensive Motivational Program of Alternative Correctional Treatment (IMPACT), pursuant to G.S. 15A-1343.1, for a minimum of 90 days or a maximum of 120 days ~~under special probation, reference G.S. 15A-1351(a) or G.S. 15A-1344(e),~~ and abide by all rules and regulations ~~as provided in conjunction with the Intensive Motivational Program of Alternative Correctional Treatment (IMPACT), which provides an atmosphere for learning personal confidence, personal responsibility, self-respect, and respect for attitudes and value systems.~~ of that program. This condition may also include a period of supervision through the Post-Boot Camp Probation Program.

(3) Submit to imprisonment required for special probation under G.S. 15A-1351(a) or G.S. 15A-1344(e).

(3a) Repealed by Session Laws 1997-57, s. 3.

(3b) Submit to supervision by officers assigned to the Intensive Supervision Program established pursuant to G.S. 143B-262(c), and abide by the rules adopted for that Program. Unless otherwise ordered by the court, intensive supervision also requires multiple contacts by a probation officer per week, a specific period each day during which the offender must be at his or her residence, and that the offender remain gainfully and suitably employed or faithfully pursue a course of study or of vocational training that will equip the offender for suitable employment.

(3c) Remain at his or her residence unless the court or the probation officer authorizes the offender to leave for the purpose of employment, counseling, a course of study, or vocational training. The offender shall be required to wear a device which permits the supervising agency to monitor the offender's compliance with the condition electronically.

(4) Surrender his driver's license to the clerk of superior court, and not operate a motor vehicle for a period specified by the court.

(5) Compensate the Department of Environment and Natural Resources or the North Carolina Wildlife Resources Commission, as the case may be, for the replacement costs of any marine and estuarine resources or any wildlife resources which were taken, injured, removed, harmfully altered, damaged or destroyed as a result of a criminal offense of which the defendant was convicted. If any investigation is required by officers or agents of the Department of Environment and Natural Resources or the Wildlife Resources Commission in determining the extent of the destruction of resources involved, the court may include compensation of the agency for investigative costs as a condition of probation. This subdivision does not apply in any case governed by G.S. 143-215.3(a)(7).

(6) Perform community or reparation service and pay any fee required by law or ordered by the court for participation in the community or reparation service program.

(7) Submit at reasonable times to warrantless searches by a probation officer of his person and of his vehicle and premises while he is present, for purposes specified by the court and reasonably related to his probation supervision, but the probationer may not be required to

submit to any other search that would otherwise be unlawful. Whenever the warrantless search consists of testing for the presence of illegal drugs, the probationer may also be required to reimburse the Department of Correction for the actual cost of drug screening and drug testing, if the results are positive.

(8) Not use, possess, or control any illegal drug or controlled substance unless it has been prescribed for him by a licensed physician and is in the original container with the prescription number affixed on it; not knowingly associate with any known or previously convicted users, possessors or sellers of any such illegal drugs or controlled substances; and not knowingly be present at or frequent any place where such illegal drugs or controlled substances are sold, kept, or used.

(8a) Purchase the least expensive annual statewide license or combination of licenses to hunt, trap, or fish listed in G.S. 113-270.2, 113-270.3, 113-270.5, 113-271, 113-272, and 113-272.2 that would be required to engage lawfully in the specific activity or activities in which the defendant was engaged and which constitute the basis of the offense or offenses of which he was convicted.

(9) If the offense is one in which there is evidence of physical, mental or sexual abuse of a minor, the court should encourage the minor and the minor's parents or custodians to participate in rehabilitative treatment and may order the defendant to pay the cost of such treatment.

(10) Satisfy any other conditions determined by the court to be reasonably related to his rehabilitation."

(b) G.S. 15A-1343.1 reads as rewritten:

"§ 15A-1343.1. Criteria for selection and sentencing to IMPACT.

The Intensive Motivational Program of Alternative Correctional Treatment (IMPACT) shall be a residential program within the meaning of G.S. 15A-1340.11(8), operated by the Department of Correction. The criteria for selecting and sentencing offenders to the Intensive Motivational Program of Alternative Correctional Treatment as provided under G.S. 15A-1343(b1)(2a) shall be as follows:

(1) The offender must be between the ages of 16 and 30;

(2) The offender must be convicted of a Class 1 misdemeanor, Class A1 misdemeanor, or a felony;

(3) The offender must submit to a medical evaluation by a physician approved by his probation or parole officer and must be certified by the physician to be medically fit for program participation.

(4) Repealed by Session Laws 1995, c. 446, s. 1."

(c) G.S. 15A-1344(e) reads as rewritten:

"(e) Special Probation in Response to Violation. -- When a defendant has violated a condition of probation, the court may modify his probation to place him on special probation as provided in this subsection. In placing him on special probation, the court may continue or modify the conditions of his probation and in addition require that he submit to a period or periods of imprisonment, either continuous or noncontinuous, at whatever time or intervals within the period of probation the court determines. In addition to any other conditions of probation which the court may impose, the court shall impose, when imposing a period or periods of imprisonment as a condition of special probation, the condition that the defendant obey the Rules and Regulations of the Department of Correction governing conduct of inmates, and this condition shall apply to the defendant whether or not the court imposes it as a part of the written order. If imprisonment is for

continuous periods, the confinement may be in either the custody of the Department of Correction or a local confinement facility. Noncontinuous periods of imprisonment under special probation may only be served in a designated local confinement or treatment facility. Except for probationary sentences for impaired driving under ~~G.S. 20-138.1 and probationary sentences which include a period of imprisonment in the Intensive Motivational Program of Alternative Correctional Treatment (IMPACT) under G.S. 15A-1343(b1)(2a),~~ G.S. 20-138.1, the total of all periods of confinement imposed as an incident of special probation, but not including an activated suspended sentence, may not exceed six months or one fourth the maximum sentence of imprisonment imposed for the offense, whichever is less. For probationary sentences for impaired driving under G.S. 20-138.1, the total of all periods of confinement imposed as an incident of special probation, but not including an activated suspended sentence, shall not exceed one-fourth the maximum penalty allowed by law. ~~For probationary sentences which include a period of imprisonment in the Intensive Motivational Program of Alternative Correctional Treatment (IMPACT) under G.S. 15A-1343(b1)(2a), the total of all periods of confinement imposed as an incident of special probation, but not including an activated suspended sentence, shall not exceed six months or one-half the maximum term of the suspended sentence of imprisonment, whichever is less.~~ No confinement other than an activated suspended sentence may be required beyond the period of probation or beyond two years of the time the special probation is imposed, whichever comes first."

(b) G.S. 15A-1351(a) reads as rewritten:

"(a) The judge may sentence to special probation a defendant convicted of a criminal offense other than impaired driving under G.S. 20-138.1, if based on the defendant's prior record or conviction level as found pursuant to Article 81B of this Chapter, an intermediate punishment is authorized for the class of offense of which the defendant has been convicted. A defendant convicted of impaired driving under G.S. 20-138.1 may also be sentenced to special probation. Under a sentence of special probation, the court may suspend the term of imprisonment and place the defendant on probation as provided in Article 82, Probation, and in addition require that the defendant submit to a period or periods of imprisonment in the custody of the Department of Correction or a designated local confinement or treatment facility at whatever time or intervals within the period of probation, consecutive or nonconsecutive, the court determines. In addition to any other conditions of probation which the court may impose, the court shall impose, when imposing a period or periods of imprisonment as a condition of special probation, the condition that the defendant obey the Rules and Regulations of the Department of Correction governing conduct of inmates, and this condition shall apply to the defendant whether or not the court imposes it as a part of the written order. If imprisonment is for continuous periods, the confinement may be in the custody of either the Department of Correction or a local confinement facility. Noncontinuous periods of imprisonment under special probation may only be served in a designated local confinement or treatment facility. Except for probationary sentences of impaired driving under ~~G.S. 20-138.1 and probationary sentences which include a period of imprisonment in the Intensive Motivational Program of Alternative Correctional Treatment (IMPACT) under G.S. 15A-1343(b1)(2a),~~ G.S. 20-138.1, the total of all periods of confinement imposed as an incident of special probation, but not including an activated suspended sentence, may not exceed six months or one fourth the maximum sentence of imprisonment imposed for the offense, whichever is less, and no confinement other than an activated suspended sentence may be required beyond two years of conviction. For probationary sentences for impaired driving under G.S. 20-138.1, the total of all periods of confinement imposed as an incident of special probation, but not including an activated suspended sentence, shall not

exceed one-fourth the maximum penalty allowed by law. ~~For probationary sentences which include a period of imprisonment in the Intensive Motivational Program of Alternative Correctional Treatment (IMPACT) under G.S. 15A-1343(b1)(2a), the total of all periods of confinement imposed as an incident of special probation, but not including an activated suspended sentence, shall not exceed six months or one-half of the maximum term of the suspended sentence, whichever is less.~~ In imposing a sentence of special probation, the judge may credit any time spent committed or confined, as a result of the charge, to either the suspended sentence or to the imprisonment required for special probation. The original period of probation, including the period of imprisonment required for special probation, shall be as specified in G.S. 15A-1343.2(d), but may not exceed a maximum of five years, except as provided by G.S. 15A-1342(a). The court may revoke, modify, or terminate special probation as otherwise provided for probationary sentences."

(c) This section becomes effective December 1, 1998.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Sexton

ABOLISH EXECUTION BY LETHAL GAS AND PROVIDE THAT A PERSON CONVICTED OF A CRIMINAL OFFENSE WHO IS SENTENCED TO DEATH SHALL BE EXECUTED BY THE ADMINISTRATION OF LETHAL DRUGS

Section 17.22. (a) G.S. 15-187 reads as rewritten:

"§ 15-187. Death by administration of lethal ~~gas or~~ drugs.

Death by electrocution under sentence of law ~~is hereby abolished~~ and death by the administration of lethal gas ~~substituted therefor, except that if any person sentenced to death so chooses, he may at least five days prior to his execution date, elect in writing to be executed by the administration of a lethal quantity of an ultrashort-acting barbiturate in combination with a chemical paralytic agent~~. under sentence of law are abolished. Any person convicted of a criminal offense and sentenced to death shall be executed only by the administration of a lethal quantity of an ultrashort-acting barbiturate in combination with a chemical paralytic agent."

(b) G.S. 15-188 reads as rewritten:

"§ 15-188. Manner and place of execution.

~~Except as otherwise provided in~~ In accordance with G.S. 15-187, the mode of executing a death sentence must in every case be by ~~causing~~ administering to the convict or felon ~~to inhale lethal gas of sufficient quantity to cause death, and the administration of such lethal gas must be continued until such~~ a lethal quantity of an ultrashort-acting barbiturate in combination with a chemical paralytic agent until the convict or felon is dead; and when any person, convict or felon shall be sentenced by any court of the State having competent jurisdiction to be so executed, ~~such~~ the punishment shall only be inflicted within a permanent death chamber which the superintendent of the State penitentiary is hereby authorized and directed to provide within the walls of the North Carolina penitentiary at Raleigh, North Carolina. The superintendent of the State penitentiary shall also cause to be provided, in conformity with this Article and approved by the Governor and Council of State, the necessary ~~appliances for the infliction of the punishment of death in accordance with the requirements of this Article.~~ appliances for the infliction of the punishment of death and qualified personnel to set up and prepare the injection, administer the preinjections, insert the IV catheter, and to perform other tasks required for this procedure in accordance with the requirements of this Article."

(c) This section is effective when it becomes law and applies to all executions after the effective date of this section.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

PROHIBIT ESCAPE FROM PRIVATE CORRECTIONAL FACILITIES/PROPOSED STANDARDS FOR PRIVATE PRISONS FOR OUT-OF-STATE INMATES/ CLARIFY MORATORIUM ON PRIVATE PRISONS FOR OUT-OF-STATE INMATES

Section 17.23. (a) Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-256.1. Escape from private correctional facility.**

It is unlawful for any person convicted in a jurisdiction other than North Carolina but housed in a private correctional facility located in North Carolina to escape from that facility. Violation of this section is a Class H felony."

(b) Subsection (b) of Section 19.17 of S.L. 1997-443 reads as rewritten:

"(b) The Department of Correction, in cooperation with the Department of Justice, Department of Insurance, and Office of State Construction, shall establish proposed standards for any private correctional facilities in this State that are used to confine inmates from a jurisdiction other than ~~North Carolina or~~ North Carolina, a political subdivision of ~~North Carolina.~~ North Carolina, or the federal government. These standards shall include provisions for all such facilities to:

(1) Meet minimum responsibility and insurance standards and may provide for the posting of surety bonds;

(2) Meet or exceed all standards applicable to the State prison system, particularly those standards relating to inmate care and treatment;

(3) Provide for the transfer or return of all inmates to the jurisdiction in which the inmates were originally convicted prior to release of the inmates;

(4) Permit officials of the State of North Carolina to conduct periodic inspections of all such facilities; and

(5) Meet any other standards the departments deem advisable.

The Department of Correction shall report on these proposed standards to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Corrections Oversight Committee, and the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety by ~~May 1, 1998.~~ March 15, 1999. The report shall include a recommendation on the appropriate regulatory agency or agencies to enforce these ~~standards.~~ standards and on the necessary enforcement authority to be vested in that agency or agencies. The report shall also include a draft of legislation necessary to enact the proposed standards and regulatory authority.

The Department of Correction shall also consult with the Department of Justice on the appropriateness of the penalty provided for in G.S. 14-256.1, enacted in subsection (a) of this section, and on the implications of convicting inmates already serving sentences imposed by other jurisdictions in private prisons located in North Carolina. The Department of Correction shall include the conclusions reached during its consultation with the Department of Justice in the report required by this section."

(c) Subsection (c) of Section 19.17 of S.L. 1997-443 reads as rewritten:

"(c) No municipality, county, or private entity may authorize, construct, own, or operate any type of correctional facility for the confinement of inmates from any jurisdiction other than North ~~Carolina or~~ Carolina, a political subdivision of North ~~Carolina~~ Carolina, or the federal government until the Department of Correction has developed proposed standards for such private correctional facilities pursuant to

subsection (b) of this section and the General Assembly has acted upon those standards. No private confinement facility authorized under G.S. 148-37(g) that receives payment from this State for the housing of State prisoners may contain inmates from any jurisdiction other than North Carolina or a political subdivision of North Carolina without the written consent of the Secretary of Correction."

(d) Subsection (a) of this section becomes effective January 1, 1999, and applies to offenses committed on or after that date.

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford, Allred, Cole, Reynolds

ESTABLISH PILOT PROGRAMS IN ALAMANCE AND UNION COUNTIES TO DETERMINE THE COST-EFFECTIVENESS OF PLACING ALL INMATES ON WORK RELEASE

Section 17.25. (a) The Department of Correction shall establish a pilot program for determining the benefits of work-release prison units by placing all eligible inmates in the Alamance Correctional Center on work release to the extent possible. The Department shall report to the Chairs of the House and Senate Appropriations Committees and the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety by March 1, 1999, on the cost-effectiveness of the program.

(b) The Department of Correction shall establish a pilot program for determining the benefits of work-release prison units by placing all eligible inmates in the Union Correctional Center, except those needed for Department of Transportation road squads, on work release to the extent possible. The Department shall report to the Chairs of the House and Senate Appropriations Committees and the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety by March 1, 1999, on the cost-effectiveness of the program.

PART XVIII. DEPARTMENT OF JUSTICE

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton, Smith

SALARY EQUITY FOR SBI LAW ENFORCEMENT

Section 18. Subsection (a) of Section 20.9 of S.L. 1997-443 reads as rewritten:

"(a) Of the funds appropriated in this act to the Department of Justice for the State Bureau of Investigation, the sum of two million seven hundred thousand dollars ($2,700,000) for the 1997-98 fiscal year and the sum of ~~two million seven hundred thousand dollars ($2,700,000)~~ two million six hundred sixty-seven thousand five hundred forty dollars ($2,667,540) for the 1998-99 fiscal year shall be used to adjust the salaries of law enforcement positions in the State Bureau of Investigation. These adjustments shall be based on factors, such as employee salary, position class title, position grade, and credible years of sworn service with the State Bureau of Investigation. No salary adjustment shall result in an increase beyond the maximum salary set for an officer's pay grade. If an officer's salary is near or at the top of the officer's pay grade, the officer shall be eligible to receive a salary adjustment up to the top of the officer's pay grade. If an officer is at the top of the officer's pay grade, then the officer is not eligible to receive a salary adjustment. Sworn officers holding the following management positions are not eligible to receive the salary adjustment: SBI Director, SBI Assistant Directors of Support Services, SBI Assistant Director, SBI Assistant Directors of Field Services, SBI Assistant Director of Crime Laboratory, Deputy Director of Medicaid Fraud."

Requested by: Senator Gulley, Representatives Justus, Kiser, Thompson

LIMITS ON COMPUTER SYSTEM UPGRADE

Section 18.1. (a) Section 20.4 of S.L. 1997-443 reads as rewritten:

"Section 20.4. Any ~~proposed increase in mainframe computer capacity or~~ major new computer system or major computer system upgrade for the Judicial Department, the Department of Correction, the Department of Justice, or the Department of Crime Control and Public Safety, to be funded all or in part from the Continuation Budget, shall be reported to the Joint Legislative Commission on Governmental Operations, to the Chairs of the Senate and House of Representatives Appropriations Committees, and to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety before the department enters into any contractual agreement. A major computer system upgrade includes any proposed enhancement, modification, or capacity increase to the computing and telecommunications infrastructure or to program applications where the total cost is anticipated to exceed five hundred thousand dollars ($500,000). This report is to be made jointly by the Information Resource Management Commission, the Office of State Budget and Management, and the requesting department."

(b) This section is effective when this act becomes law.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

CRIMINAL JUSTICE INFORMATION NETWORK REPORT

Section 18.2. (a) The Criminal Justice Information Network Governing Board created pursuant to Section 23.3 of Chapter 18 of the Session Laws of the 1996 Second Extra Session shall report by March 1, 1999, to the Chairs of the Senate and House Appropriations Committees, the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety, and the Fiscal Research Division of the General Assembly on:

(1) The operations of the Board, including the Board's progress in developing data-sharing standards in cooperation with State and local agencies and the estimated time of completion of the standards.

(2) The operating budget of the Board, the expenditures of the Board as of the date of the report, and the amount of funds in reserve for the operation of the Board.

(3) A long-term strategic plan and cost analysis for statewide implementation of the Criminal Justice Information Network. For each component of the Network, the initial cost estimate of the component, the amount of funds spent to date on the component, the source of funds for expenditures to date, and a timetable for completion of that component, including additional resources needed at each point.

(b) G.S. 143-661(b) reads as rewritten:

"(b) The Board shall consist of ~~15~~ 19 members, appointed as follows:

(1) Three members appointed by the Governor, including one member who is a director or employee of a State correction agency for a term to begin September 1, 1996 and to expire on June 30, 1997, one member who is an employee of the North Carolina Department of Crime Control and Public Safety for a term beginning September 1, 1996 and to expire on June 30, 1997, and one member selected from the North Carolina Association of Chiefs of Police for a term to begin September 1, 1996 and to expire on June 30, 1999.

(2) Six members appointed by the General Assembly in accordance with G.S. 120-121, as follows:

a. Three members recommended by the President Pro Tempore of the Senate, including two members of the general public for terms to begin on September 1, 1996 and to expire on June 30, 1997, and one member selected from the North Carolina League of Municipalities who is a member of, or an employee working directly for, the governing board of a North Carolina municipality for a term to begin on September 1, 1996 and to expire on June 30, 1999; and

b. Three members recommended by the Speaker of the House of Representatives, including two members of the general public for terms to begin on September 1, 1996 and to expire on June 30, 1999, and one member selected from the North Carolina Association of County Commissioners who is a member of, or an employee working directly for, the governing board of a North Carolina county for a term to begin on September 1, 1996 and to expire on June 30, 1997.

(3) Two members appointed by the Attorney General, including one member who is an employee of the Attorney General for a term to begin on September 1, 1996 and to expire on June 30, 1997, and one member from the North Carolina Sheriffs' Association for a term to begin on September 1, 1996 and to expire on June 30, 1999.

(4) ~~Two~~ Six members appointed by the Chief Justice of the North Carolina Supreme ~~Court, including the Director or an employee of the Administrative Office of the Courts for a term to begin on September 1, 1996 and to expire on June 30, 1997, and one member who is either a clerk of the superior court or a district attorney, or employee of a district attorney, for a term to begin on September 1, 1996 and to expire on June 30, 1999.~~ Court, as follows:

a. The Director of the Administrative Office of the Courts, or an employee of the Administrative Office of the Courts, for a term beginning July 1, 1997, and expiring June 30, 2001.

b. One member who is a district attorney or an assistant district attorney upon the recommendation of the Conference of District Attorneys of North Carolina, for a term beginning July 1, 1998, and expiring June 30, 1999.

c. Two members who are superior court or district court judges for terms beginning July 1, 1998, and expiring June 30, 2001.

d. One member who is a magistrate upon the recommendation of the North Carolina Magistrates' Association, for a term beginning July 1, 1998, and expiring June 30, 1999.

e. One member who is a clerk of superior court upon the recommendation of the North Carolina Association of Clerks of Superior Court, for a term beginning July 1, 1998, and expiring June 30, 1999.

(5) One member appointed by the Chair of the Information Resource Management Commission, who is the Chair or a member of that Commission, for a term to begin on September 1, 1996 and to expire on June 30, 1999.

(6) One member appointed by the President of the North Carolina Chapter of the Association of Public Communications Officials International, who is an active member of the Association, for a term to begin on September 1, 1996 and to expire on June 30, 1999.

The respective appointing authorities are encouraged to appoint persons having a background in and familiarity with criminal information systems and networks generally and with the criminal information needs and capacities of the constituency from which the member is appointed.

As the initial terms expire, subsequent members of the Board shall be appointed to serve four-year terms. At the end of a term, a member shall continue to serve on the Board until a successor is appointed. A member who is appointed after a term is begun serves only for the remainder of the term and until a successor is appointed. Any vacancy in the membership of the Board shall be filled by the same appointing authority that made the appointment, except that vacancies among members appointed by the General Assembly shall be filled in accordance with G.S. 120-122."

Requested by: Senator Gulley, Representatives Justus, Kiser, Thompson

STUDY FEE ADJUSTMENT FOR CRIMINAL RECORDS CHECKS

Section 18.3. The Office of State Budget and Management, in consultation with the Department of Justice, shall study the feasibility of adjusting the fees charged for criminal records checks conducted by the Division of Criminal Information of the Department of Justice as a result of the increase in receipts from criminal records checks. The study shall include an assessment of the Division's operational, personnel, and overhead costs related to providing criminal records checks and how those costs have changed since the 1995-96 fiscal year. The Office of State Budget and Management shall report its findings and recommendations to the Chairs of the Senate and House Appropriations Committees, the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety, and the Fiscal Research Division of the General Assembly on or before March 1, 1999.

Requested by: Senators Plyler, Odom, Representatives Justus, Kiser, Thompson, Sexton

STUDY RECIPROCITY OF CONCEALED HANDGUN PERMITS

Section 18.4. (a) The Joint Legislative Corrections and Crime Control Oversight Committee shall study the issue of providing that a nonresident who has been issued a valid handgun permit in a reciprocal state may carry a concealed handgun in accordance with Article 54B of Chapter 14 of the General Statutes as if the permit were issued by this State. The Committee shall report its findings and recommendations to the 1999 General Assembly.

(b) The Attorney General shall prepare a list of those states that provide for concealed handgun permits that are equal to or more stringent than those required by North Carolina in order to assist the Joint Legislative Corrections and Crime Control Oversight Committee in its study.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

USE OF SEIZED AND FORFEITED PROPERTY TRANSFERRED TO STATE LAW ENFORCEMENT AGENCIES BY THE FEDERAL GOVERNMENT AND TO EXPAND THE NUISANCE ABATEMENT TEAM

Section 18.5. (a) Assets transferred to the Department of Justice during the 1997-99 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of the Department and shall result in an increase of law enforcement resources for the

Department. Assets transferred to the Department of Crime Control and Public Safety during the 1997-99 biennium pursuant to 19 U.S.C. § 1616a shall be credited to the budget of the Department and shall result in an increase of law enforcement resources for the Department. The Departments of Justice and Crime Control and Public Safety shall report to the Joint Legislative Commission on Governmental Operations upon receipt of the assets and, before using the assets, shall report on the intended use of the assets and the departmental priorities on which the assets may be expended, except during the 1998-99 fiscal year, the Department of Justice may:

(1) Use an amount not to exceed the sum of twenty-five thousand dollars ($25,000) of the funds to extend the lease of space in the Town of Salemburg for SBI training; and

(2) Use an amount not to exceed the sum of fifty thousand dollars ($50,000) of the funds to lease space for its technical operations unit, storage of its equipment and vehicles, and command post vehicle.

(b) The General Assembly finds that the use of assets transferred pursuant to 19 U.S.C. § 1616a for new personnel positions, new projects, the acquisition of real property, repair of buildings where the repair includes structural change, and construction of or additions to buildings may result in additional expenses for the State in future fiscal periods. Therefore, the Department of Justice and the Department of Crime Control and Public Safety are prohibited from using these assets for such purposes without the prior approval of the General Assembly, except during the 1998-99 fiscal year, the Department of Crime Control and Public Safety may use an amount not to exceed the sum of fifty-seven thousand nine hundred fifty-nine dollars ($57,959) of forfeiture funds to provide the required twenty-five percent (25%) match for a grant awarded by the Governor's Crime Commission to expand the Nuisance Abatement Team of the Division of Alcohol Law Enforcement. Any positions created with the grant funds shall terminate at the end of the grant period.

(c) Nothing in this section prohibits North Carolina law enforcement agencies from receiving funds from the United States Department of Justice pursuant to 19 U.S.C. § 1616a.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton, Holmes, Esposito, Creech, Crawford

SBI USE OF COURT-ORDERED REIMBURSEMENT FUNDS

Section 18.6. Section 20.2 of S.L. 1997-443 reads as rewritten:

"Section 20.2. The State Bureau of Investigation (SBI) may use funds available from court-ordered reimbursement in undercover drug operations. Any funds received from the court may be budgeted upon receipt from the court and may be used in addition to any funds appropriated by the General Assembly."

Requested by: Representative Creech

ESTABLISH PUBLIC SETTLEMENT RESERVE FUND/ATTORNEY GENERAL REPORT OF STATE SETTLEMENTS AND COURT ORDERS

Section 18.7. (a) Article 1 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"**§ 143-16.5. Public Settlement Reserve Fund.**

The `Public Settlement Reserve Fund' is established as a restricted reserve in the General Fund. Except if prohibited by order of the court and except as provided in G.S. 143-16.4, funds in excess of seventy-five thousand dollars ($75,000) paid to the State or a State agency pursuant to a settlement agreement or final order or judgment of the court

shall be deposited to the Public Settlement Reserve Fund. Funds shall be expended from the Public Settlement Reserve Fund only by appropriation by the General Assembly."

(b) Article 1 of Chapter 114 of the General Statutes is amended by adding a new section to read:

"**§ 114-2.5. Attorney General to report payment of public monies pursuant to settlement agreements and final court orders.**

(a) The Attorney General shall report to the Joint Legislative Commission on Governmental Operations and the Chairs of the Appropriations Subcommittees on Justice and Public Safety of the Senate and House of Representatives on the payments received pursuant to a settlement agreement or final order or judgment of the court and deposited to the Public Settlement Reserve Fund in accordance with G.S. 143-16.5. The Attorney General shall also report on the terms or conditions of payment set forth in the agreement or order. The Attorney General shall submit a written report to the Fiscal Research Division of the General Assembly.

(b) This section only applies to executed settlement agreements and final orders or judgments of the court and shall in no way affect the authority of the Attorney General to negotiate the settlement of cases in which the State or a State department, agency, institution, or officer is a party."

(c) This section applies to settlement agreements or final orders or judgements of the court entered into on or after November 15, 1998.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

SBI FUNDS/SPENDING PRIORITIES

Section 18.8. Section 20.1 of S.L. 1997-443 reads as rewritten:

"Section 20.1. Of the funds appropriated in this act to the Department of Justice, State Bureau of Investigation, for the 1997-99 biennium for overtime payments, the first priority for use of the funds by the Department shall be:

(1) To make overtime payments to SBI agents in the Field Investigations ~~Division; and~~ Division and in the crime laboratories; and

(2) To make overtime payments to supervisory personnel receiving overtime payments as of June 30, 1997, up to a maximum of five thousand two hundred dollars ($5,200) annually per individual."

PART XIX. DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

Requested by: Senator Gulley, Representatives Justus, Kiser, Thompson, Esposito, Sexton

ACTIVATION OF NATIONAL GUARD FOR SPECIAL OLYMPICS

Section 19. With funds available, the Governor may place units or portions of units of the North Carolina National Guard on State Active Duty during the period from January 1, 1999, to September 30, 1999, to assist with the planning, support, and execution of events associated with the International Special Olympic Games.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

STUDY TARHEEL CHALLENGE PROGRAM

Section 19.1. With funds available, the Department of Crime Control and Public Safety shall use up to twenty-five thousand dollars ($25,000) for the 1998-99 fiscal year to contract with an external consultant to study the effectiveness of the National

Guard Tarheel Challenge Program as an intervention method for preventing delinquent or criminal behavior and improving individual skills and employment potential of the participants in the Program. The consultant selected shall have substantial professional experience in program evaluation, but shall have no current or prior association, direct or indirect, with the Department of Crime Control and Public Safety, the National Guard Tarheel Challenge Program, or the staff of either. The study shall include:

(1) An evaluation of the goals of the Program and long-term effects of participation in the Program;

(2) A comparison of the Program to (i) other similar programs that offer job training and behavior modification and (ii) a control group of students not participating in intervention programs; and

(3) A cost-benefit analysis of the Program.

The Department shall report the results of the study, including any recommendations, to the Chairs of the Appropriations Subcommittees on Justice and Public Safety of the Senate and House of Representatives by April 1, 1999.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson

VICTIMS ASSISTANCE NETWORK REPORT

Section 19.2. The Department of Crime Control and Public Safety shall report on the expenditure of funds allocated in Section 21.1 of S.L. 1997-443 for the Victims Assistance Network. The Department shall also report on the Network's efforts to gather data on crime victims and their needs, act as a clearinghouse for crime victims' services, provide an automated crime victims' bulletin board for subscribers, coordinate and support activities of other crime victims' advocacy groups, identify the training needs of crime victims' services providers and criminal justice personnel, and coordinate training for these personnel. The Department shall submit its report to the Chairs of the Appropriations Subcommittees on Justice and Public Safety of the Senate and House of Representatives by December 1, 1998.

Requested by: Senator Plyler, Representatives Justus, Kiser, Thompson, Sexton

HIGHWAY PATROL SALARIES

Section 19.3. There is appropriated from the Highway Fund to the Reserve for Compensation Increases the sum of one hundred sixty-two thousand nine hundred fifty-six dollars ($162,956) for the 1998-99 fiscal year to implement a salary range revision for the State Highway Patrol that makes the difference between the salary of a first sergeant and a lieutenant ten percent (10%) instead of five percent (5%). In implementing this range revision, the State Highway Patrol shall, to the extent that funds are available to do so, consider individual salary increases in any amount up to a total amount that does not exceed the difference between the maximum salaries of the old range and the new range.

Requested by: Senators Cooper, Wellons, Plyler, Perdue, Odom, Gulley, Lucas, Representatives Daughtry, Holmes, Esposito, Creech, Crawford, Eddins

CREATE THE CRIME VICTIMS' RIGHTS ACT/ASSIST VICTIMS OF DOMESTIC VIOLENCE/ALLOW THE ENFORCEMENT OF ORDERS FOR RESTITUTION IN CRIMINAL CASES IN THE SAME MANNER AS CIVIL JUDGMENTS/CREATE AN EXCEPTION TO THE STATUTORY EXEMPTIONS FOR EXECUTION OF RESTITUTION JUDGMENTS/CHANGE THE ORDER OF PRIORITY FOR DISBURSEMENT OF FUNDS IN CRIMINAL CASES/MAKE CHANGES TO THE CRIME VICTIMS COMPENSATION ACT/ELIMINATE

THE REVIEW OF SENTENCES OF LIFE IMPRISONMENT WITHOUT PAROLE

Section 19.4. (a) The title to Article 45 of Subchapter VIII of Chapter 15A of the General Statutes reads as rewritten:

"SUBCHAPTER VIII-A. RIGHTS OF CRIME VICTIMS AND WITNESSES.

"ARTICLE 45.

"Fair Treatment for Certain Victims and Witnesses."

(b) G.S. 15A-824 reads as rewritten:

"§ 15A-824. Definitions.

As used in this Article, unless the context clearly requires otherwise:

(1) `Crime' means a felony or serious misdemeanor as determined in the sole discretion of the district attorney, ~~any felony,~~ except those included in Article 45A of this Chapter, or any act committed by a juvenile that, if committed by a competent adult, would constitute a ~~felony.~~ felony or serious misdemeanor.

(2) `Family member' means a spouse, child, parent or legal guardian, or the closest living relative.

(3) `Victim' means a person against whom there is probable cause to believe a crime has been committed.

(4) `Witness' means a person who has been or is expected to be summoned to testify for the prosecution in a criminal action concerning a felony, or who by reason of having relevant information is subject to being called or is likely to be called as a witness for the prosecution in such an action, whether or not an action or proceeding has been commenced."

(c) Subchapter VIII-A of Chapter 15A of the General Statutes, as enacted in subsection (a) of this section, is amended by adding a new Article to read:

"ARTICLE 45A.

"Crime Victims' Rights Act.

"§ 15A-830. Definitions.

(a) The following definitions apply in this Article:

(1) Accused. -- A person who has been arrested and charged with committing a crime covered by this Article.

(2) Arresting law enforcement agency. -- The law enforcement agency that makes the arrest of an accused.

(3) Custodial agency. -- The agency that has legal custody of an accused or defendant arising from a charge or conviction of a crime covered by this Article including, but not limited to, local jails or detention facilities, regional jails or detention facilities, or the Department of Correction.

(4) Investigating law enforcement agency. -- The law enforcement agency with primary responsibility for investigating the crime committed against the victim.

(5) Law enforcement agency. -- An arresting law enforcement agency, a custodial agency, or an investigating law enforcement agency.

(6) Next of kin. -- The victim's spouse, children, parents, siblings, or grandparents. The term does not include the accused unless the charges are dismissed or the person is found not guilty.

(7) Victim. -- A person against whom there is probable cause to believe one of the following crimes was committed:

a. A Class A, B1, B2, C, D, or E felony.

b. A Class F felony if it is a violation of one of the following: G.S. 14-16.6(b); 14-16.6(c); 14-18; 14-32.1(e); 14-32.2(b)(3); 14-32.3(a); 14-32.4; 14-34.2; 14-34.6(c); 14-41; 14-43.2; 14-43.3; 14-190.17; 14-190.19; 14-202.1; 14-288.9; or 20-138.5.

c. A Class G felony if it is a violation of one of the following: G.S. 14-32.3(b); 14-51; 14-58; 14-87.1; or 20-141.4.

d. A Class H felony if it is a violation of one of the following: G.S. 14-32.3(a); 14-32.3(c); or 14-33.2.

e. A Class I felony if it is a violation of one of the following: G.S. 14-277.3; 14-32.3(b); 14-34.6(b); or 14-190.17A.

f. An attempt of any of the felonies listed in this subdivision if the attempted felony is punishable as a felony.

g. Any of the following misdemeanor offenses when the offense is committed between persons who have a personal relationship as defined in G.S. 50B-1(b): G.S. 14-33(c)(1); 14-33(c)(2); 14-33(a); 14-34; 14-134.3; or 14-277.3.

(b) If the victim is deceased, then the next of kin, in the order set forth in the definition contained in this section, is entitled to the victim's rights under this Article. However, the right contained in G.S. 15A-834 may only be exercised by the personal representative of the victim's estate. An individual entitled to exercise the victim's rights as a member of the class of next of kin may designate anyone in the class to act on behalf of the class.

"§ 15A-831. Responsibilities of law enforcement agency.

(a) As soon as practicable but within 72 hours after identifying a victim covered by this Article, the investigating law enforcement agency shall provide the victim with the following information:

(1) The availability of medical services, if needed.

(2) The availability of crime victims' compensation funds under Chapter 15B of the General Statutes and the address and telephone number of the agency responsible for dispensing the funds.

(3) The address and telephone number of the district attorney's office that will be responsible for prosecuting the victim's case.

(4) The name and telephone number of an investigating law enforcement agency employee whom the victim may contact if the victim has not been notified of an arrest in the victim's case within six months after the crime was reported to the law enforcement agency.

(5) Information about an accused's opportunity for pretrial release.

(6) The name and telephone number of an investigating law enforcement agency employee whom the victim may contact to find out whether the accused has been released from custody.

(b) As soon as practicable but within 72 hours after the arrest of a person believed to have committed a crime covered by this Article, the arresting law enforcement agency shall inform the investigating law enforcement agency of the arrest. As soon as practicable but within 72 hours of being notified of the arrest, the investigating law enforcement agency shall notify the victim of the arrest.

(c) As soon as practicable but within 72 hours after receiving notification from the arresting law enforcement agency that the accused has been arrested, the investigating law enforcement agency shall forward to the district attorney's office that will be responsible for prosecuting the case the victim's name, address, date of birth, social security number, race, sex, and telephone number, unless the victim refuses to disclose any or all of the

information, in which case, the investigating law enforcement agency shall so inform the district attorney's office.

(d) Upon receiving the information in subsection (a) of this section, the victim shall, on a form provided by the investigating law enforcement agency, indicate whether the victim wishes to receive any further notices from the investigating law enforcement agency. If the victim elects to receive further notices, the victim shall be responsible for notifying the investigating law enforcement agency of any changes in the victim's name, address, and telephone number.

"§ 15A-832. Responsibilities of the district attorney's office.

(a) Within 21 days after the arrest of the accused, but not less than 24 hours before the accused's first scheduled probable-cause hearing, the district attorney's office shall provide to the victim a pamphlet or other written material that explains in a clear and concise manner the following:

(1) The victim's rights under this Article, including the right to confer with the attorney prosecuting the case about the disposition of the case and the right to provide a victim impact statement.

(2) The responsibilities of the district attorney's office under this Article.

(3) The victim's eligibility for compensation under the Crime Victims Compensation Act and the deadlines by which the victim must file a claim for compensation.

(4) The steps generally taken by the district attorney's office when prosecuting a felony case.

(5) Suggestions on what the victim should do if threatened or intimidated by the accused or someone acting on the accused's behalf.

(6) The name and telephone number of a victim and witness assistant in the district attorney's office whom the victim may contact for further information.

(b) Upon receiving the information in subsection (a) of this section, the victim shall, on a form provided by the district attorney's office, indicate whether the victim wishes to receive notices of some, all, or none of the trial and posttrial proceedings involving the accused. If the victim elects to receive notices, the victim shall be responsible for notifying the district attorney's office or any other department or agency that has a responsibility under this Article of any changes in the victim's address and telephone number. The victim may alter the request for notification at any time by notifying the district attorney's office and completing the form provided by the district attorney's office.

(c) The district attorney's office shall notify a victim of the date, time, and place of all trial court proceedings of the type which the victim has elected to receive notice. All notices required to be given by the district attorney's office shall be given in a manner that is reasonably calculated to be received by the victim prior to the date of the court proceeding.

(d) Whenever practical, the district attorney's office shall provide a secure waiting area during court proceedings that does not place the victim in close proximity to the defendant or the defendant's family.

(e) When the victim is to be called as a witness in a court proceeding, the court shall make every effort to permit the fullest attendance possible by the victim in the proceedings. This subsection shall not be construed to interfere with the defendant's right to a fair trial.

(f) Prior to the disposition of the case, the district attorney's office shall offer the victim the opportunity to consult with the prosecuting attorney to obtain the views of the

victim about the disposition of the case, including the victim's views about dismissal, plea or negotiations, sentencing, and any pretrial diversion programs.

(g) At the sentencing hearing, the prosecuting attorney shall submit to the court a copy of a form containing the identifying information set forth in G.S. 15A-831(c) about any victim's electing to receive further notices under this Article. The form shall be included with the final judgment and commitment transmitted to the Department of Correction or other agency receiving custody of the defendant and shall be maintained by the custodial agency as a confidential file.

"§ 15A-833. Evidence of victim impact.

(a) A victim has the right to offer admissible evidence of the impact of the crime, which shall be considered by the court or jury in sentencing the defendant. The evidence may include the following:

(1) A description of the nature and extent of any physical, psychological, or emotional injury suffered by the victim as a result of the offense committed by the defendant.

(2) An explanation of any economic or property loss suffered by the victim as a result of the offense committed by the defendant.

(3) A request for restitution and an indication of whether the victim has applied for or received compensation under the Crime Victims Compensation Act.

(b) No victim shall be required to offer evidence of the impact of the crime. No inference or conclusion shall be drawn from a victim's decision not to offer evidence of the impact of the crime.

"§ 15A-834. Restitution.

A victim has the right to receive restitution as ordered by the court pursuant to Article 81C of Chapter 15A of the General Statutes.

"§ 15A-835. Posttrial responsibilities.

(a) Within 30 days after the final trial court proceeding in the case, the district attorney's office shall notify the victim, in writing, of:

(1) The final disposition of the case.

(2) The crimes of which the defendant was convicted.

(3) The defendant's right to appeal, if any.

(b) Upon a defendant's giving notice of appeal to the Court of Appeals or the Supreme Court, the district attorney's office shall forward to the Attorney General's office the victim's name, address, and telephone number. Upon receipt of this information, and thereafter as the circumstances require, the Attorney General's office shall provide the victim with the following:

(1) A clear and concise explanation of how the appellate process works, including information about possible actions that may be taken by the appellate court.

(2) Notice of the date, time, and place of any appellate proceedings involving the defendant. Notice shall be given in a manner that is reasonably calculated to be received by the victim prior to the date of the proceedings.

(3) The final disposition of an appeal.

(c) If the defendant has been released on bail pending the outcome of the appeal, the agency that has custody of the defendant shall notify the investigating law enforcement agency as soon as practicable, and within 72 hours of receipt of the notification the investigating law enforcement agency shall notify the victim that the defendant has been released.

(d) If the defendant's conviction is overturned, and the district attorney's office decides to retry the case or the case is remanded to superior court for a new trial, the victim shall be entitled to the same rights under this Article as if the first trial did not take place.

(e) The Conference of District Attorneys shall maintain a repository relating to victims' identities, addresses, and other appropriate information for use by agencies charged with responsibilities under this Article.

"§ 15A-836. Responsibilities of agency with custody of defendant.

(a) When a form is included with the final judgment and commitment pursuant to G.S. 15A-832(g), or when the victim has otherwise filed a written request for notification with the custodial agency, the custodial agency shall notify the victim of:

(1) The projected date by which the defendant can be released from custody. The calculation of the release date shall be as exact as possible, including earned time and disciplinary credits if the sentence of imprisonment exceeds 90 days.

(2) An inmate's assignment to a minimum custody unit and the address of the unit. This notification shall include notice that the inmate's minimum custody status may lead to the inmate's participation in one or more community-based programs such as work release or supervised leaves in the community.

(3) The victim's right to submit any concerns to the agency with custody and the procedure for submitting such concerns.

(4) The defendant's escape from custody, within 72 hours.

(5) The defendant's capture, within 72 hours.

(6) The date the defendant is scheduled to be released from the facility. Whenever practical, notice shall be given 60 days before release. In no event shall notice be given less than seven days before release.

(7) The defendant's death.

(b) Notifications required in this section shall be provided within 30 days of the date the custodial agency takes custody of the defendant or within 30 days of the event requiring notification, or as otherwise specified in subsection (a) of this section.

"§ 15A-837. Responsibilities of Division of Adult Probation and Parole.

(a) The Division of Adult Probation and Parole shall notify the victim of:

(1) The defendant's regular conditions of probation or post-release supervision, special or added conditions, supervision requirements, and any subsequent changes.

(2) The date of a hearing to determine whether the defendant's supervision should be revoked, continued, modified, or terminated.

(3) The final disposition of any hearing referred to in subdivision (2) of this section.

(4) Any restitution modification.

(5) The defendant's movement into or out of any intermediate sanction as defined in G.S. 15A-1340.11(6).

(6) The defendant's absconding supervision, within 72 hours.

(7) The capture of a defendant described in subdivision (6) of this section, within 72 hours.

(8) The date when the defendant is terminated or discharged.

(9) The defendant's death.

(b) Notifications required in this section shall be provided within 30 days of the event requiring notification, or as otherwise specified in subsection (a) of this section.

"§ 15A-838. Notice of commuted sentence or pardon.

The Governor's Clemency Office shall notify a victim when it is considering commuting the defendant's sentence or pardoning the defendant. The Governor's Clemency Office shall also give notice that the victim has the right to present a written statement to be considered by the Office before the defendant's sentence is commuted or the defendant is pardoned. The Governor's Clemency Office shall notify the victim of its decision. Notice shall be given in a manner that is reasonably calculated to allow for a timely response to the commutation or pardon decision.

"§ 15A-839. No money damages.

This Article does not create a claim for damages against the State, a county, or a municipality, or any of its agencies, instrumentalities, officers, or employees.

"§ 15A-840. No ground for relief.

The failure or inability of any person to provide a right or service under this Article may not be used by a defendant in a criminal case, by an inmate, by any other accused, or by any victim, as a ground for relief in any criminal or civil proceeding, except in suits for a writ of mandamus by the victim.

"§ 15A-841. Incompetent victim's rights exercised.

When a victim is mentally or physically incompetent or when the victim is a minor, the victim's rights under this Article, other than the rights provided by G.S. 15A-834, may be exercised by the victim's next of kin or legal guardian."

(d) Chapter 15A of the General Statutes is amended by adding a new Article to read:

"ARTICLE 81C.

"Restitution.

"§ 15A-1340.24. Restitution generally.

(a) When sentencing a defendant convicted of a criminal offense, the court shall determine whether the defendant shall be ordered to make restitution to any victim of the offense in question. For purposes of this Article, the term `victim' means a person directly and proximately harmed as a result of the defendant's commission of the criminal offense.

(b) If the defendant is being sentenced for an offense for which the victim is entitled to restitution under Article 45A of this Chapter, the court shall, in addition to any penalty authorized by law, require that the defendant make restitution to the victim or the victim's estate for any injuries or damages arising directly and proximately out of the offense committed by the defendant. If the defendant is placed on probation or post-release supervision, any restitution ordered under this subsection shall be a condition of probation as provided in G.S. 15A-1343(d) or a condition of post-release supervision as provided in G.S. 148-57.1.

(c) When subsection (b) of this section does not apply, the court may, in addition to any other penalty authorized by law, require that the defendant make restitution to the victim or the victim's estate for any injuries or damages arising directly and proximately out of the offense committed by the defendant.

"§ 15A-1340.25. Basis for restitution.

(a) In determining the amount of restitution, the court shall consider the following:

(1) In the case of an offense resulting in bodily injury to a victim:

a. The cost of necessary medical and related professional services and devices or equipment relating to physical, psychiatric, and psychological care required by the victim;

b. The cost of necessary physical and occupational therapy and rehabilitation required by the victim; and

c. Income lost by the victim as a result of the offense.

(2) In the case of an offense resulting in the damage, loss, or destruction of property of a victim of the offense:

a. Return of the property to the owner of the property or someone designated by the owner; or

b. If return of the property under sub-subdivision (2)a. of this subsection is impossible, impracticable, or inadequate:

1. The value of the property on the date of the damage, loss, or destruction; or

2. The value of the property on the date of sentencing, less the value of any part of the property that is returned.

(3) Any measure of restitution specifically provided by law for the offense committed by the defendant.

(4) In the case of an offense resulting in bodily injury that results in the death of the victim, the cost of the victim's necessary funeral and related services, in addition to the items set out in subdivisions (1),(2), and (3) of this subsection.

(b) The court may require that the victim or the victim's estate provide admissible evidence that documents the costs claimed by the victim or the victim's estate under this section. Any such documentation shall be shared with the defendant before the sentencing hearing.

"§ 15A-1340.26. Determination of restitution.

(a) In determining the amount of restitution to be made, the court shall take into consideration the resources of the defendant including all real and personal property owned by the defendant and the income derived from the property, the defendant's ability to earn, the defendant's obligation to support dependents, and any other matters that pertain to the defendant's ability to make restitution, but the court is not required to make findings of fact or conclusions of law on these matters. The amount of restitution must be limited to that supported by the record, and the court may order partial restitution when it appears that the damage or loss caused by the offense is greater than that which the defendant is able to pay. If the court orders partial restitution, the court shall state on the record the reasons for such an order.

(b) The court may require the defendant to make full restitution no later than a certain date or, if the circumstances warrant, may allow the defendant to make restitution in installments over a specified time period.

(c) When an active sentence is imposed, the court shall consider whether it should recommend to the Secretary of Correction that restitution be made by the defendant out of any earnings gained by the defendant if the defendant is granted work-release privileges, as provided in G.S. 148-33.2. The court shall also consider whether it should recommend to the Post-Release Supervision and Parole Commission that restitution by the defendant be made a condition of any parole or post-release supervision granted the defendant, as provided in G.S. 148-57.1.

"§ 15A-1340.27. Effect of restitution order; beneficiaries.

(a) An order providing for restitution does not abridge the right of a victim or the victim's estate to bring a civil action against the defendant for damages arising out of the offense committed by the defendant. Any amount paid by the defendant under the terms of a restitution order under this Article shall be credited against any judgment rendered against the defendant in favor of the same victim in a civil action arising out of the criminal offense committed by the defendant.

(b) The court may order the defendant to make restitution to a person other than the victim, or to any organization, corporation, or association, including the Crime Victims

Compensation Fund, that provided assistance to the victim following the commission of the offense by the defendant and is subrogated to the rights of the victim. Restitution shall be made to the victim or the victim's estate before it is made to any other person, organization, corporation, or association under this subsection.

(c) No government agency shall benefit by way of restitution except for particular damage or loss to it over and above its normal operating costs and except that the State may receive restitution for the total amount of a judgment authorized by G.S. 7A-455(b).

(d) No third party shall benefit by way of restitution as a result of the liability of that third party to pay indemnity to an aggrieved party for the damage or loss caused by the defendant, but the liability of a third party to pay indemnity to an aggrieved party or any payment of indemnity actually made by a third party to an aggrieved party does not prohibit or limit in any way the power of the court to require the defendant to make complete and full restitution to the aggrieved party for the total amount of the damage or loss caused by the defendant.

"§ 15A-1340.28. Enforcement of certain orders for restitution.

(a) In addition to the provisions of G.S. 15A-1340.26, when an order for restitution under G.S. 15A-1340.24(b) requires the defendant to pay restitution in an amount in excess of two hundred fifty dollars ($250.00) to a victim, the order may be enforced in the same manner as a civil judgment, subject to the provisions of this section.

(b) The order for restitution under G.S. 15A-1340.24(b) shall be docketed and indexed in the county of the original conviction in the same manner as a civil judgment pursuant to G.S. 1-233, et seq., and may be docketed in any other county pursuant to G.S. 1-234. The judgment may be collected in the same manner as a civil judgment unless the order to pay restitution is a condition of probation. If the order to pay restitution is a condition of probation, the judgment may only be executed upon in accordance with subsection (c) of this section.

(c) If the defendant is ordered to pay restitution under G.S. 15A-1340.24(b) as a condition of probation, a judgment docketed under this section may be collected in the same manner as a civil judgment. However, the docketed judgment for restitution may not be executed upon the property of the defendant until the date of notification to the clerk of superior court in the county of the original conviction that the judge presiding at the probation termination or revocation hearing has made a finding that restitution in a sum certain remains due and payable, that the defendant's probation has been terminated or revoked, and that the remaining balance of restitution owing may be collected by execution on the judgment. The clerk shall then enter upon the judgment docket the amount that remains due and payable on the judgment, together with amounts equal to the standard fees for docketing, copying, certifying, and mailing, as appropriate, and shall collect any other fees or charges incurred as in the enforcement of other civil judgments, including accrued interest. However, no interest shall accrue on the judgment until the entry of an order terminating or revoking probation and finding the amount remaining due and payable, at which time interest shall begin to accrue at the legal rate pursuant to G.S. 24-5. The interest shall be applicable to the amount determined at the termination or revocation hearing to be then due and payable. The clerk shall notify the victim by first-class mail at the victim's last known address that the judgment may be executed upon, together with the amount of the judgment. Until the clerk receives notification of termination or revocation of probation and the amount that remains due and payable on the order of restitution, the clerk shall not be required to update the judgment docket to reflect partial payments on the order of restitution as a condition of probation. The stay of execution under this subsection shall not apply to property of the defendant after the transfer or conveyance of the property to another person. When the criminal order of

restitution has been paid in full, the civil judgment indexed under this section shall be deemed satisfied and the judgment shall be cancelled. Payment satisfying the civil judgment shall also be credited against the order of restitution.

(d) An appeal of the conviction upon which the order of restitution is based shall stay execution on the judgment until the appeal is completed. If the conviction is overturned, the judgment shall be cancelled."

(e) G. S. 15A-1021(d) reads as rewritten:

"(d) When restitution or reparation by the defendant is a part of the plea arrangement agreement, if the judge concurs in the proposed disposition he may order that restitution or reparation be made as a condition of special probation pursuant to the provisions of G.S. 15A-1351, or probation pursuant to the provisions of G.S. 15A-1343(d). If an active sentence is imposed the court may recommend that the defendant make restitution or reparation out of any earnings gained by the defendant if he is granted work release privileges under the provisions of G.S. 148-33.1, or that restitution or reparation be imposed as a condition of parole in accordance with the provisions of G.S. 148-57.1. The order or recommendation providing for restitution or reparation shall be in accordance with the applicable provisions of ~~G.S. 15A-1343(d).~~ G.S. 15A-1343(d) and Article 81C of this Chapter.

If the offense is one in which there is evidence of physical, mental or sexual abuse of a minor, the court should encourage the minor and the minor's parents or custodians to participate in rehabilitative treatment and the plea agreement may include a provision that the defendant will be ordered to pay for such treatment.

When restitution or reparation is recommended as part of a plea arrangement that results in an active sentence, the sentencing court shall enter as a part of the commitment that restitution or reparation is recommended as part of the plea arrangement. The Administrative Office of the Courts shall prepare and distribute forms which provide for ample space to make restitution or reparation recommendations incident to commitments."

(f) G.S. 15A-1343(d) reads as rewritten:

"(d) Restitution as a Condition of Probation. -- As a condition of probation, a defendant may be required to make restitution or reparation to an aggrieved party or parties who shall be named by the court for the damage or loss caused by the defendant arising out of the offense or offenses committed by the defendant. When restitution or reparation is a condition imposed, the court shall take into consideration the ~~resources of the defendant, including all real and personal property owned by the defendant and the income derived from such property, his ability to earn, his obligation to support dependents, and such other matters as shall pertain to his ability to make restitution or reparation, but the court is not required to make findings of fact or conclusions of law on these matters when the sentence is imposed. The amount must be limited to that supported by the record, and the court may order partial restitution or reparation when it appears that the damage or loss caused by the offense or offenses is greater than that which the defendant is able to pay. An order providing for restitution or reparation shall in no way abridge the right of any aggrieved party to bring a civil action against the defendant for money damages arising out of the offense or offenses committed by the defendant, but any amount paid by the defendant under the terms of an order as provided herein shall be credited against any judgment rendered against the defendant in such civil action. As used herein, "restitution" shall mean (i) compensation for damage or loss as could ordinarily be recovered by an aggrieved party in a civil action, and (ii) reimbursement to the State for the total amount of a judgment authorized by G.S. 7A-455(b).~~ factors set out in G.S. 15A-1340.25 and G.S. 15A-1340.26. As used herein, `reparation' shall include but not be limited to the performing of community services, volunteer work, or doing such other acts

or things as shall aid the defendant in his rehabilitation. As used herein `aggrieved party' includes individuals, firms, corporations, associations, other organizations, and government agencies, whether federal, State or local, including the Crime Victims Compensation Fund established by G.S. 15B-23. ~~Provided, that no government agency shall benefit by way of restitution except for particular damage or loss to it over and above its normal operating costs and except that the State may receive restitution for the total amount of a judgment authorized by G.S. 7A-455(b).~~ A government agency may benefit by way of reparation even though the agency was not a party to the crime provided that when reparation is ordered, community service work shall be rendered only after approval has been granted by the owner or person in charge of the property or premises where the work will be done. ~~Provided further, that no third party shall benefit by way of restitution or reparation as a result of the liability of that third party to pay indemnity to an aggrieved party for the damage or loss caused by the defendant, but the liability of a third party to pay indemnity to an aggrieved party or any payment of indemnity actually made by a third party to an aggrieved party does not prohibit or limit in any way the power of the court to require the defendant to make complete and full restitution or reparation to the aggrieved party for the total amount of the damage or loss caused by the defendant. Restitution or reparation measures are ancillary remedies to promote rehabilitation of criminal offenders, to provide for compensation to victims of crime, and to reimburse the Crime Victims Compensation Fund established by G.S. 15B-23, and shall not be construed to be a fine or other punishment as provided for in the Constitution and laws of this State.~~"

(g) G.S. 148-33.2(c) reads as rewritten:

"(c) When an active sentence is imposed, the court shall consider whether, as a rehabilitative measure, it should recommend to the Secretary of Correction that restitution or reparation be made by the defendant out of any earnings gained by the defendant if he is granted work-release privileges and out of other resources of the defendant, including all real and personal property owned by the defendant, and income derived from such property. If the court determines that restitution or reparation should not be recommended, it shall so indicate on the commitment. If, however, the court determines that restitution or reparation should be recommended, the court shall make its recommendation a part of the order committing the defendant to custody. The recommendation shall be in accordance with the applicable provisions of ~~G.S. 15A-1343(d).~~ G.S. 15A-1343(d) and Article 81C of Chapter 15A of the General Statutes. If the offense is one in which there is evidence of physical, mental or sexual abuse of a minor, the court may order the defendant to pay from work release earnings the cost of rehabilitative treatment for the minor. The Administrative Office of the Courts shall prepare and distribute forms which provide ample space to make restitution or reparation recommendations incident to commitments, which forms shall be conveniently structured to enable the sentencing court to make its recommendation."

(h) G.S. 148-57.1(c) reads as rewritten:

"(c) When an active sentence is imposed, the court shall consider whether, as a rehabilitative measure, it should recommend to the Post-Release Supervision and Parole Commission that restitution or reparation by the defendant be made a condition of any parole or post-release supervision granted the defendant. If the court determines that restitution or reparation should not be recommended, it shall so indicate on the commitment. If, however, the court determines that restitution or reparation should be recommended, the court shall make its recommendation a part of the order committing the defendant to custody. The recommendation shall be in accordance with the applicable provisions of ~~G.S. 15A-1343(d).~~ Article 81C of Chapter 15A of the General Statutes. The

Administrative Office of the Courts shall prepare and distribute forms which provide ample space to make restitution or reparation recommendations incident to commitments, which forms shall be conveniently structured to enable the sentencing court to make its recommendation.

If the offense is one in which there is evidence of physical, mental or sexual abuse of a minor, the court may order, as a condition of parole or post-release supervision, that the defendant pay the cost of any rehabilitative treatment for the minor."

(i) G.S. 1-234 reads as rewritten:

"§ 1-234. Where and how docketed; lien.

Upon filing a judgment roll upon a judgment affecting the title of real property, or directing in whole or in part the payment of money, it shall be docketed on the judgment docket of the court of the county where the judgment roll was filed, and may be docketed on the judgment of the court of any other county upon the filing with the clerk thereof of a transcript of the original docket, and is a lien on the real property in the county where the same is docketed of every person against whom any such judgment is rendered, and which he has at the time of the docketing thereof in the county in which such real property is situated, or which he acquires at any time thereafter, for 10 years from the date of the rendition of the judgment. But the time during which the party recovering or owning such judgment shall be, or shall have been, restrained from proceeding thereon by an order of injunction, or other order, or by the operation of any appeal, or by a statutory prohibition, does not constitute any part of the 10 years aforesaid, as against the defendant in such judgment, or the party obtaining such orders or making such appeal, or any other person who is not a purchaser, creditor or mortgagee in good faith.

A judgment docketed pursuant to G.S. 15A-1340.28 shall constitute a lien against the property of a defendant as provided for under this section."

(j) G.S. 1C-1601(e) reads as rewritten:

"(e) Exceptions. -- The exemptions provided in this Article are inapplicable to claims

(1) Of the United States or its agencies as provided by federal law;

(2) Of the State or its subdivisions for taxes, appearance bonds or fiduciary bonds;

(3) Of lien by a laborer for work done and performed for the person claiming the exemption, but only as to the specific property affected;

(4) Of lien by a mechanic for work done on the premises, but only as to the specific property affected;

(5) For payment of obligations contracted for the purchase of the specific real property affected;

(6) Repealed by Session Laws 1981 (Regular Session, 1982), c. 1224, s. 6;

(7) For contractual security interests in the specific property affected; provided, that the exemptions shall apply to the debtor's household goods notwithstanding any contract for a nonpossessory, nonpurchase money security interest in any such goods;

(8) For statutory liens, on the specific property affected, other than judicial liens;

(9) For child support, alimony or distributive award order pursuant to Chapter 50 of the General ~~Statutes.~~ Statutes;

(10) For criminal restitution orders docketed as civil judgments pursuant to G.S. 15A-1340.28."

(k) G.S. 7A-304(d) reads as rewritten:

"(d) In any criminal case in which the liability for costs, fines, restitution, or any other lawful charge has been finally determined, the clerk of superior court shall, unless

otherwise ordered by the presiding judge, disburse such funds when paid in accordance with the following priorities:

(1) Sums in restitution to the victim entitled thereto;
~~(1)~~(2) Costs due the county;
~~(2)~~(3) Costs due the city;
~~(3)~~(4) Fines to the county school fund;
~~(4)~~(5) Sums in restitution prorated among the persons other than the victim entitled thereto;
~~(5)~~(6) Costs due the State;
~~(6)~~(7) Attorney's fees.

Sums in restitution received by the clerk of superior court shall be disbursed when:

(1) Complete restitution has been received; or
(2) When, in the opinion of the clerk, additional payments in restitution will not be collected; or
(3) Upon the request of the person or persons entitled thereto; and
(4) In any event, at least once each calendar year."

(l) G.S. 15B-2 reads as rewritten:

"§ 15B-2. Definitions.

As used in this Chapter, unless the context requires otherwise:

(1) `Allowable expense' means reasonable charges incurred for reasonably needed products, services, and accommodations, including those for medical care, rehabilitation, medically related property, and other remedial treatment and care.

Allowable expense includes a total charge not in excess of three thousand five hundred dollars ($3,500) for expenses related to funeral, cremation, and burial, including transportation of a body, but excluding expenses for flowers, gravestone, and other items not directly related to the funeral service.

(2) `Claimant' means any of the following persons who claims an award of compensation under this Chapter:
a. A victim;
b. A dependent of a deceased victim;
c. A third person who is not a collateral source and who provided benefit to the victim or his family other than in the course or scope of his employment, business, or profession;
d. A person who is authorized to act on behalf of a victim, a dependent, or a third person described in subdivision c.

The claimant, however, may not be the offender or an accomplice of the offender who committed the criminally injurious conduct.

(3) `Collateral source' means a source of benefits or advantages for economic loss otherwise compensable that the victim or claimant has received or that is readily available to him from any of the following sources:
a. The offender;
b. The government of the United States or any of its agencies, a state or any of its political subdivisions, or an instrumentality of two or more states;
c. Social security, medicare, and medicaid;
d. State-required, temporary, nonoccupational disability insurance;
e. Worker's compensation;

f. Wage continuation programs of any employer;

g. Proceeds of a contract of insurance payable to the victim for loss that he sustained because of the criminally injurious conduct;

h. A contract providing prepaid hospital and other health care services, or benefits for disability.

(4) `Commission' means the Crime Victims Compensation Commission established by G.S. 15B-3.

(5) `Criminally injurious conduct' means conduct that by its nature poses a substantial threat of personal injury or death, and is punishable by fine or imprisonment or death, or would be so punishable but for the fact that the person engaging in the conduct lacked the capacity to commit the crime under the laws of this State. Criminally injurious conduct includes conduct that amounts to an offense involving impaired driving as defined in G.S. 20-4.01(24a), and conduct that amounts to a violation of G.S. 20-166 if the victim was a pedestrian or was operating a vehicle moved solely by human power or a mobility impairment device. For purposes of this Chapter, a mobility impairment device is a device that is designed for and intended to be used as a means of transportation for a person with a mobility impairment, is suitable for use both inside and outside a building, and whose maximum speed does not exceed 12 miles per hour when the device is being operated by a person with a mobility impairment. Criminally injurious conduct does not include conduct arising out of the ownership, maintenance, or use of a motor vehicle when the conduct is punishable only as a violation of other provisions of Chapter 20 of the General Statutes. Criminally injurious conduct shall also include an act of terrorism, as defined in 18 U.S.C. § 2331, that is committed outside of the United States against a citizen of this State.

(6) `Dependent' means an individual wholly or substantially dependent upon the victim for care and support and includes a child of the victim born after his death.

(7) `Dependent's economic loss' means loss after a victim's death of contributions of things of economic value to his dependents, not including services they would have received from the victim if he had not suffered the fatal injury, less expenses of the dependents avoided by reason of the victim's death.

(8) `Dependent's replacement service loss' means loss reasonably incurred by dependents after a victim's death in obtaining ordinary and necessary services in lieu of those the victim would have performed for their benefit if he had not suffered the fatal injury, less expenses of the dependents avoided by reason of the victim's death and not subtracted in calculating dependent's economic loss.

Dependent's replacement service loss will be limited to a 26-week period commencing from the date of the injury and compensation shall not exceed two hundred dollars ($200.00) per week.

(9) `Director' means the Director of the Commission appointed under G.S. 15B-3(g).

(10) `Economic loss' means economic detriment consisting only of allowable expense, work loss, ~~and~~ replacement services ~~loss.~~ loss, and household support loss. If criminally injurious conduct causes death,

economic loss includes a dependent's economic loss and a dependent's replacement service loss. Noneconomic detriment is not economic loss, but economic loss may be caused by pain and suffering or physical impairment.

(11) `Noneconomic detriment' means pain, suffering, inconvenience, physical impairment, or other nonpecuniary damage.

(12) `Replacement services loss' means expenses reasonably incurred in obtaining ordinary and necessary services in lieu of those the injured person would have performed, not for income but for the benefit of himself or his family, if he had not been injured.

Replacement service loss will be limited to a 26-week period commencing from the date of the injury, and compensation may not exceed two hundred dollars ($200.00) per week.

(12a) `Substantial evidence' means relevant evidence that a reasonable mind might accept as adequate to support a conclusion.

(13) `Victim' means a person who suffers personal injury or death proximately caused by criminally injurious conduct.

(14) `Work loss' means loss of income from work that the injured person would have performed if he had not been injured and expenses reasonably incurred by him to obtain services in lieu of those he would have performed for income, reduced by any income from substitute work actually performed by him, or by income he would have earned in available appropriate substitute work that he was capable of performing but unreasonably failed to undertake.

Compensation for work loss will be limited to 26 weeks commencing from the date of the injury, and compensation ~~may~~ shall not exceed ~~two hundred dollars ($200.00)~~ three hundred dollars ($300.00) per week. A claim for work loss will be paid only upon proof that the injured person was gainfully employed at the time of the criminally injurious conduct and, by physician's certificate, that the injured person was unable to work.

(15) `Household support loss' means the loss of support that a victim would have received from the victim's spouse for the purpose of maintaining a home or residence for the victim and the victim's dependents. A victim may be compensated fifty dollars ($50.00) per week for each dependent child. Compensation for household support loss shall not exceed three hundred dollars ($300.00) per week and shall be limited to 26 weeks commencing from the date of the injury. A victim may receive only one compensation for household support loss. Household support loss is only available to an unemployed victim whose spouse is the offender who committed the criminally injurious conduct that is the basis of the victim's claim under this act."

(m) G.S. 15B-11 reads as rewritten:

"§ 15B-11. Grounds for denial of claim or reduction of award.

(a) An award of compensation shall be denied if:

(1) The claimant fails to file an application for an award within ~~one year~~ two years after the date of the criminally injurious conduct that caused the injury or death for which the claimant seeks the award;

(2) The economic loss is incurred after one year from the date of the criminally injurious conduct that caused the injury or death for which

the victim seeks the award, except in the case where the victim for whom compensation is sought was 10 years old or younger at the time the injury occurred. In that case an award of compensation will be denied if the economic loss is incurred after two years from the date of the criminally injurious conduct that caused the injury or death for which the victim seeks the award;

(3) The criminally injurious conduct was not reported to a law enforcement officer or agency within 72 hours of its occurrence, and there was no good cause for the delay;

(4) The award would benefit the offender or the offender's accomplice, unless a determination is made that the interests of justice require that an award be approved in a particular case;

(5) The criminally injurious conduct occurred while the victim was confined in any State, county, or city prison, correctional, youth services, or juvenile facility, or local confinement facility, or half-way house, group home, or similar facility; or

(6) The victim was participating in a felony or a nontraffic misdemeanor at or about the time that the victim's injury occurred.

(b) A claim may be denied and an award of compensation may be reduced upon a finding of contributory misconduct by the claimant or a victim through whom the claimant claims.

(c) A claim may be denied, an award of compensation may be reduced, and a claim that has already been decided may be reconsidered upon finding that the claimant or victim has not fully cooperated with appropriate law enforcement agencies with regard to the criminally injurious conduct that is the basis for the award.

(c1) A claim may be denied upon a finding that the claimant has been convicted of any felony classified as a Class A, B1, B2, C, D, or E felony under the laws of the State of North Carolina and that such felony was committed within 3 years of the time the victim's injury occurred.

(d) After reaching a decision to approve an award of compensation, but before notifying the claimant, the Director shall require the claimant to submit current information as to collateral sources on forms prescribed by the Commission.

An award that has been approved shall nevertheless be denied or reduced to the extent that the economic loss upon which the claim is based is or will be recouped from a collateral source. If an award is reduced or a claim is denied because of the expected recoupment of all or part of the economic loss of the claimant from a collateral source, the amount of the award or the denial of the claim shall be conditioned upon the claimant's economic loss being recouped by the collateral source. If it is thereafter determined that the claimant will not receive all or part of the expected recoupment, the claim shall be reopened and an award shall be approved in an amount equal to the amount of expected recoupment that it is determined the claimant will not receive from the collateral source, subject to the limitations set forth in subsections (f) and (g). The existence of a collateral source that would pay expenses directly related to a funeral, cremation, and burial, including transportation of a body, shall not constitute grounds for the denial or reduction of an award of compensation.

~~(e) Compensation may not be awarded if the economic loss is less than one hundred dollars ($100.00).~~

(f) Compensation for ~~work loss,~~ replacement services loss, dependent's economic loss, and dependent's replacement services loss may not exceed two hundred dollars ($200.00)

per week. Compensation for work loss and household support loss may not exceed three hundred dollars ($300.00) per week.

(g) Compensation payable to a victim and to all other claimants sustaining economic loss because of injury to, or the death of, that victim may not exceed ~~twenty~~ thirty thousand dollars ~~($20,000)~~ ($30,000) in the aggregate in addition to allowable funeral, cremation, and burial expenses.

(h) The right to reconsider or reopen a claim does not affect the finality of its decision for the purpose of judicial review."

(n) G.S. 143B-480.2(a) reads as rewritten:

"(a) Only victims who have reported the following crimes are eligible for assistance under this Program: first-degree rape as defined in G.S. 14-27.2, second-degree rape as defined in G.S. 14-27.3, first-degree sexual offense as defined in G.S. 14-27.4, second-degree sexual offense as defined in G.S. 14-27.5, or attempted first-degree or second-degree rape or attempted first-degree or second-degree sexual offense as defined in G.S. 14-27.6. Assistance is limited to immediate and short-term medical expenses, ambulance services, and mental health services provided by a professional licensed or certified by the State to provide such services, not to exceed ~~five hundred dollars ($500.00)~~ one thousand dollars ($1,000) incurred by the victim for the medical examination, medical procedures to collect evidence, or counseling treatment which follow the attack, or ambulance services from the place of the attack to a place where medical treatment is provided. Assistance not to exceed fifty dollars ($50.00) shall be provided to victims to replace clothing that was held for evidence tests."

(o) The North Carolina Conference of District Attorneys, with assistance from the Administrative Office of the Court and the Governor's Crime Commission, shall present to the General Assembly on or before March 1, 1999, a projection of the costs for full implementation of the provisions of this act with regard to victims of domestic violence. In preparing the report, the Conference of District Attorneys shall use data collected in Prosecutorial Districts 3A, 13, 20, 21, and 26 by domestic violence prosecution programs receiving grant funds from the Governor's Crime Commission. Nothing herein shall prohibit the Conference of District Attorneys from using data from other such grant programs in this State. Failure or delay in presentation of the report shall not result in a delay in the implementation of the provisions of this act relating to victims of domestic violence.

(p) To the extent practicable and within available resources, agencies are encouraged to begin as soon as possible the implementation of applicable victim notification procedures of this act prior to the effective date of July 1, 1999.

(q) Article 85B of Chapter 15A is repealed.

(r) G.S. 15A-830, 15A-833 and 15A-834 as enacted by subsection (c) of this section become effective December 1, 1998, and apply to offenses committed on or after that date. Subsections (d), (e), (f), (g), (h), and (i) of this section become effective December 1, 1998, and apply to offenses committed on or after that date. Subsections (l), (m), and (n) of this section become effective December 1, 1998, and apply to injuries occurring on or after that date. Subsections (o) and (p) of this section are effective when this section becomes law. Subsection (q) of this section becomes effective December 1, 1998, and applies to offenses committed on or after that date. The remainder of this section becomes effective July 1, 1999, and applies to offenses committed on or after that date.

Requested by: Senators Plyler, Perdue, Odom, Gulley, Representatives Holmes, Esposito, Creech, Crawford

October 26, 1998

CRIME COMMISSION GRANTS/REPORT TO APPROPRIATIONS COMMITTEES

Section 19.5. (a) G.S. 143B-476 is amended by adding a new subsection to read:

"(h) Prior to any notification of proposed grant awards to State agencies for use in pursuing the objectives of the Governor's Crime Commission pursuant to subsection (a) of this section, the Secretary shall report to the Senate and House Appropriations Committees for review of the proposed grant awards."

(b) This section is effective when this act becomes law.

Requested by: Senators Gulley, Plyler, Odom, Representatives Justus, Kiser, Thompson

USE OF HIGHWAY PATROL AIRCRAFT

Section 19.6. (a) G.S. 20-196.1 is repealed.

(b) G.S. 20-196.2 reads as rewritten:

"§ 20-196.2. Use of ~~airplanes~~ aircraft to discover certain motor vehicle ~~violations of §§ 20-138 to 20-171; testimony of pilots and observers;~~ violations; declaration of policy.

The State Highway Patrol is hereby permitted the use of ~~airplanes~~ aircraft to discover violations of Part 10 of Article 3 of Chapter 20 of the General Statutes relating to operation of motor vehicles and rules of the ~~road; provided, however, neither the observer nor the pilot shall be competent to testify in any court of law in a criminal action charging violations of G.S. 20-141, 20-141.1, and 20-144.~~ road. It is hereby declared the public policy of North Carolina that the ~~airplanes~~ aircraft should be used primarily for accident prevention and should also be used incident to the issuance of warning citations in accordance with the provisions of G.S. 20-183."

(b) This section becomes effective December 1, 1998.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

STUDY EMERGENCY MANAGEMENT POSITIONS

Section 19.7. (a) The Joint Legislative Corrections and Crime Control Oversight Committee shall study the State and local assistance funding eligibility criteria of the Division of Emergency Management of the Department of Crime Control and Public Safety that requires local governments to have a full-time or part-time Emergency Program Manager. In its deliberations, the Committee shall consider:

(1) The burden placed on local governments to maintain a full-time or part-time position pursuant to the funding eligibility requirements.

(2) The feasibility and advisability of revising the funding eligibility criteria of the Division of Emergency Management to allow small local governments to:

a. Share federal funds and an Emergency Program Manager; or

b. Add the responsibilities of an Emergency Program Manager to an appropriate official or employee of the local government.

(3) The feasibility and advisability of opening regional emergency management offices and allocating funds to regions rather than local governments.

(b) The Committee shall report its findings and recommendations to the 1999 General Assembly.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

UPGRADE CLERICAL POSITIONS IN DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

Section 19.8. Of the funds appropriated in this act to the Department of Crime Control and Public Safety for the 1998-99 fiscal year, up to fifteen thousand dollars ($15,000) may be used to upgrade clerical positions to coordinator positions in the community service work program established in the Department pursuant to G.S. 143B-475.1. The Office of State Personnel shall approve each upgrade of clerical positions prior to the use of funds authorized by this section.

Requested by: Senators Gulley, Ballance, Rand, Wellons, Representatives Justus, Kiser, Thompson, Sexton

STUDY DISASTER MITIGATION AND RELIEF FUNDING

Section 19.9. The Department of Crime Control and Public Safety shall study the feasibility and advisability of establishing a disaster mitigation and relief fund to provide disaster relief and recovery assistance to individuals and local governments adversely affected by natural or man-made disasters through grants awarded to persons, corporations, nonprofit corporations, local governments, or other political subdivisions of the State. The Department shall consider and make recommendations regarding:

(1) Administration of the fund, including the membership of the body that establishes grant criteria and awards grants to applicants.

(2) Objectives and criteria for awarding grants, including the eligibility requirements that are appropriate for obtaining grants.

(3) Limitations on the amount of funds to be awarded to individuals and private entities or corporations, including the requirement that grant recipients obtain and maintain insurance against future loss of the property to be replaced, restored, repaired, or constructed with the funds awarded.

(4) Guidelines for prioritizing the allocation of funds to serve the needs of those citizens of the State who cannot obtain financial assistance under any other State or federal program or from any other source and who do not have insurance, including consideration of whether grants should be awarded on a competitive basis only or should be distributed equally to local governments for disaster mitigation on an annual basis.

(5) The intended use of the funds awarded to local governments, including training, upgrade, and standardization of communications capabilities statewide.

(6) Establishment of a system of damage assessment whereby the Secretary of the Department of Crime Control and Public Safety determines whether the damage involved and its effects are of a severity and magnitude as to be beyond the response capabilities of the affected local government or political subdivision and makes recommendations regarding whether a grant should be awarded.

(7) The preferred method of funding a disaster mitigation and relief fund.

The Department shall report its recommendations and legislative proposals to the Joint Legislative Commission on Governmental Operations, the Chairs of the Appropriations Committees of the House of Representatives and the Senate, the Chairs of the Appropriations Subcommittees on Justice and Public Safety of the House of Representatives and the Senate, and the Joint Legislative Corrections and Crime Control

Oversight Committee by March 1, 1999. A written copy of the report shall be sent to the Fiscal Research Division of the General Assembly by March 1, 1999.

Requested by: Representative Ellis

TRANSFER BOXING COMMISSION TO DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

Section 19.11. (a) The statutory authority, powers, duties, functions, records, property, and unexpended balances of appropriations, allocations, or other funds of the North Carolina State Boxing Commission are transferred from the Department of the Secretary of State to the Department of Crime Control and Public Safety.

(b) G.S. 143-652 reads as rewritten:

"§ 143-652. State Boxing Commission.

(a) Creation. -- The North Carolina State Boxing Commission is created within the Department of ~~the Secretary of State~~ Crime Control and Public Safety to regulate in North Carolina live boxing and kickboxing matches, whether professional, amateur, sanctioned amateur, or toughman events, in which admission is charged for viewing, or the contestants compete for a purse or prize of value greater than twenty-five dollars ($25.00). The Commission shall consist of six voting members and two nonvoting advisory members. All the members shall be residents of North Carolina and shall meet requirements for membership under the Professional Boxing Safety Act of 1996. The members shall be appointed as follows:

(1) One voting member shall be appointed by the Governor for an initial term of two years.

(2) One voting member shall be appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate for an initial term of one year, in accordance with G.S. 120-121.

(3) One voting member shall be appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives for an initial term of one year.

(4) Two voting members shall be appointed by the Secretary of ~~State.~~ Crime Control and Public Safety. One shall serve for an initial term of three years, and the other shall serve for an initial term of two years.

(4a) One member shall be appointed by the Tribal Council of the Eastern Band of the Cherokee for an initial term of three years.

(5) One nonvoting advisory member shall be appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives for an initial term of one year, in accordance with G.S. 120-121, from nominations made by the North Carolina Medical Society, which shall nominate two licensed physicians for the position.

(6) One nonvoting advisory member shall be appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate for an initial term of one year, in accordance with G.S. 120-121, from nominations made by the North Carolina Medical Society, which shall nominate two licensed physicians for the position.

The member appointed pursuant to subdivision (5) of subsection (a) of this section may serve on the Commission only if an agreement exists and remains in effect between the Tribal Council of the Eastern Band of the Cherokee and the Commission authorizing the Commission to regulate professional boxing matches within the Cherokee Indian Reservation as provided by the Professional Boxing Safety Act of 1996.

The two nonvoting advisory members appointed pursuant to subdivisions (6) and (7) of subsection (a) of this section shall advise the Commission on matters concerning the health and physical condition of boxers and health issues relating to the conduct of exhibitions and boxing matches. They may prepare and submit to the Commission for its consideration and approval any rules that in their judgment will safeguard the physical welfare of all participants engaged in boxing.

Terms for all members of the Commission except for the initial appointments shall be for three years.

The Secretary of ~~State~~ Crime Control and Public Safety shall designate which member of the Commission is to serve as chair. A member of the Commission may be removed from office by the Secretary of ~~State~~ Crime Control and Public Safety for cause. Each member before entering upon the duties of a member shall take and subscribe an oath to perform the duties of the office faithfully, impartially, and justly to the best of the member's ability. A record of these oaths shall be filed in the Department of ~~the Secretary of State.~~ Crime Control and Public Safety.

(b) Vacancies. -- Members shall serve until their successors are appointed and have been qualified. Any vacancy in the membership of the Commission shall be filled in the same manner as the original appointment. Vacancies for members appointed by the General Assembly shall be filled in accordance with G.S. 120-122. A vacancy in the membership of the Commission other than by expiration of term shall be filled for the unexpired term only.

(c) Meetings. -- Meetings of the Commission shall be called by the chair or by any two members of the Commission, and meetings shall be held at least quarterly. Any three voting members of the Commission shall constitute a quorum at any meeting. Action may be taken and motions and resolutions adopted by the Commission at any meeting by the affirmative vote of a majority of the members of the Commission present at a meeting at which a quorum exists. Any or all members may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all members participating may simultaneously hear each other during the meeting. A member participating in the meeting by this means is deemed to be present in person at the meeting.

(d) Rule-Making Authority of the Commission. -- The Commission shall have the exclusive authority to approve and issue rules for the regulation of the conduct, promotion, and performances of live boxing, kickboxing, sanctioned amateur, amateur, and toughman matches and exhibitions in this State. The rules shall be issued pursuant to the provisions of Chapter 150B of the General Statutes and may include, without limitation, the following subjects:

(1) Requirements for issuance of licenses and permits required by this Article.
(2) Regulation of ticket sales.
(3) Physical requirements for contestants, including classification by weight and skill.
(4) Supervision of matches and exhibitions by licensed physicians and referees.
(5) Insurance and bonding requirements.
(6) Compensation of participants and licensees.
(7) Contracts and financial arrangements.
(8) Prohibition of dishonest, unethical, and injurious practices.
(9) Facilities.
(10) Approval of sanctioning amateur sports organizations.

(11) Procedures and requirements for compliance with the Professional Boxing Safety Act of 1996.

(e) Compensation. -- None of the members of the Commission shall receive compensation for serving on the Commission. However, members of the Commission may be reimbursed for their expenses in accordance with the provisions of Chapter 138 of the General Statutes.

(f) Staff Assistance. -- The Secretary of ~~State~~ Crime Control and Public Safety shall hire a person to serve as Executive Director of the Commission and shall provide staff assistance to the Executive Director. The Executive Director shall enforce this Article through the Division of Alcohol Law Enforcement. If necessary, the Executive Director may train and contract with independent contractors for the purpose of regulating and monitoring events, issuing licenses, collecting fees, and enforcing rules of the Commission. The Executive Director may initiate criminal background checks on persons requesting to work as independent contractors for the Commission or persons applying to be licensed by the Commission."

(c) G.S. 143-654(c) reads as rewritten:

"(c) Surety Bond. -- An applicant for a promoter's license must submit, in addition to any other forms, documents, or exhibits requested by the Commission, a surety bond payable to the Commission for the benefit of any person injured or damaged by (i) the promoter's failure to comply with any provision of this Article or any rules adopted by the Commission or (ii) the promoter's failure to fulfill the obligations of any contract between or among licensees related to the holding of a boxing event. The surety bond shall be issued in an amount to be no less than five thousand dollars ($5,000). The amount of the surety bond shall be negotiable upon the sole discretion of the Commission. All surety bonds shall be upon forms approved by the Secretary of ~~State~~ Crime Control and Public Safety and supplied by the Commission."

(d) G.S. 143-655(c) reads as rewritten:

"(c) State Boxing Commission Revenue Account. -- There is created the State Boxing Commission Revenue Account within the Department of ~~the Secretary of State.~~ Crime Control and Public Safety. Monies collected pursuant to the provisions of this Article shall be credited to the Account and applied to the administration of the Article."

(e) G.S. 143-658 reads as rewritten:

"§ 143-658. Violations.

(a) Civil Penalties. -- The Secretary of ~~State~~ Crime Control and Public Safety may issue an order against a licensee or other person who willfully violates any provision of this Article, imposing a civil penalty of up to five thousand dollars ($5,000) for a single violation or of up to twenty-five thousand dollars ($25,000) for multiple violations in a single proceeding or a series of related proceedings. No order under this subsection may be entered without giving the licensee or other person 15 days' prior notice and an opportunity for a contested case hearing conducted pursuant to Article 3 of Chapter 150B of the General Statutes.

(b) Criminal Penalties. -- A willful violation of any provision of this Article shall constitute a Class 2 misdemeanor. The Secretary of ~~State~~ Crime Control and Public Safety may refer any available evidence concerning violations of this Article to the proper district attorney, who may, with or without such a reference, institute the appropriate criminal proceedings.

~~The attorneys employed by the Secretary of State shall be available to prosecute or assist in the prosecution of criminal cases when requested to do so by a district attorney and the Secretary of State approves.~~

(c) Injunction. -- Whenever it appears to the Secretary of ~~State~~ Crime Control and Public Safety that a person has engaged or is about to engage in an act or practice constituting a violation of any provision of this Article or any rule or order hereunder, the Secretary of ~~State~~ Crime Control and Public Safety may bring an action in any court of competent jurisdiction to enjoin those acts or practices and to enforce compliance with this Article or any rule or order issued pursuant to this Article.

~~(d) Enforcement. -- For purposes of enforcing this Article, the Department of the Secretary of State's law enforcement agents have statewide jurisdiction. These law enforcement agents may assist local law enforcement agencies in their investigations and may initiate and carry out, in coordination with local law enforcement agencies, investigations of violations of this Article. These law enforcement agents have all the powers and authority of law enforcement officers when executing arrest warrants."~~

(f) G.S. 18B-502(a) reads as rewritten:

"(a) Authority. -- To procure evidence of violations of the ABC law, alcohol law-enforcement agents, employees of the Commission, local ABC officers, and officers of local law-enforcement agencies that have contracted to provide ABC enforcement under G.S. 18B-501(f) shall have authority to investigate the operation of each licensed premises for which an ABC permit has been issued, to make inspections that include viewing the entire premises, and to examine the books and records of the permittee. The inspection authorized by this section may be made at any time it reasonably appears that someone is on the premises. Alcohol law-enforcement agents are also authorized to be on the premises to the extent necessary to enforce the provisions of Article 68 of Chapter 143 of the General Statutes."

(g) Section 9 of S.L. 1997-504, as rewritten by Section 18 of S.L. 1998-23, reads as rewritten:

"Section 9. Except as otherwise specified herein, this act is effective when it becomes law. ~~This act expires October 1, 1998.~~"

PART XX. DEPARTMENT OF ADMINISTRATION

Requested by: Senators Warren, Lucas, Dannelly, Hoyle, Representatives Ives, McCombs, Sherrill, Holmes, Esposito, Creech, Crawford

DOMESTIC VIOLENCE--ADMINISTRATION OF GRANTS

Section 20.1. (a) The North Carolina Council for Women of the Department of Administration, the Division of Social Services of the Department of Health and Human Services, and the Governor's Crime Commission in consultation with the Office of State Budget and Management shall develop a simplified process by which eligible public and nonprofit entities may apply using a simplified grants process with one application form for any domestic violence grant funds and other grant funds administered by the North Carolina Council for Women, the Division of Social Services, and the Governor's Crime Commission.

(b) The three State agencies listed in subsection (a) of this section shall jointly report on the new process to the Joint Appropriations Subcommittee on General Government by March 31, 1999.

Requested by: Senators Warren, Plyler, Perdue, Odom, Representatives Ives, McCombs, Sherrill

DOMESTIC VIOLENCE PREVENTION FUNDS

Section 20.2. Of the funds appropriated to the Department of Administration, the sum of one million dollars ($1,000,000) for the 1998-99 fiscal year for the North

Carolina Council for Women for the prevention of domestic violence and the continuation of domestic violence programs within the State. The Council for Women shall provide grants from these funds to existing domestic violence programs, including the North Carolina Coalition Against Domestic Violence, Inc., and for the development of new domestic violence programs. The Department of Administration or the Council for Women shall not use any of the funds for operating expenses.

Requested by: Senators Warren, Plyler, Perdue, Odom, Representatives Ives, McCombs, Sherrill, Holmes, Esposito, Creech, Crawford

PROCUREMENT CARD PILOT PROGRAM

Section 20.3. (a) Except as provided by this section, no State agency, community college, constituent institution of The University of North Carolina, or local school administrative unit may use procurement cards for the purchase of equipment or supplies before March 31, 1999.

(b) The Secretary of Administration shall designate no more than 15 governmental entities to participate in a pilot program on the purchase of supplies and equipment by procurement card. Those designated shall represent a cross section of governmental entities and shall include at least one State agency, one community college, two constituent institutions of The University of North Carolina, and one local school administrative unit.

(c) The Division of Purchase and Contract and the State Controller shall report to the Joint Legislative Commission on Governmental Operations and the Joint Appropriations Subcommittee on General Government on February 1, 1999, on this pilot program.

The report shall include all of the following:

(1) Estimates from the pilot program of:

a. How many purchasing and accounts payable personnel hours could be saved or redirected or both as a result of the procurement card.

b. The impact of the procurement card on accounting and budgeting records and on purchasing history records.

(2) A discussion of the effect of the procurement card on the State's ability to track both:

a. Out-of-state sales taxes.

b. North Carolina State and local sales tax payments by county.

(3) A discussion of any other costs and benefits of the procurement card.

(d) This section does not affect contracts for procurement cards entered into prior to March 31, 1997.

PART XXI. DEPARTMENT OF CULTURAL RESOURCES

Requested by: Senators Warren, Lucas, Dannelly, Hoyle, Representatives Ives, Sherrill

MARITIME MUSEUM/DISPOSITION OF OBJECTS

Section 21. (a) G.S. 106-22.2 is recodified as G.S. 143B-344.22 and reads as rewritten:

"**§ ~~106-22.2.~~ 143B-344.22. Museum of Natural Sciences; ~~Maritime Museum;~~ disposition of objects.**

Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4), or any other law pertaining to surplus State property, the Department of ~~Agriculture and Consumer Services~~ Environment and Natural Resources may sell or exchange any object

from the ~~collections~~ collection of the Museum of Natural Sciences ~~and the Maritime Museum~~ when it would be in the best ~~interests~~ interest of the ~~Museums~~ Museum to do so. Sales or exchanges shall be conducted in accordance with generally accepted practices for accredited museums. If an object is sold, the net proceeds of the sale shall be deposited in the State treasury to the credit of a special fund to be used for the improvement of the ~~Museums'~~ Museum's collections or exhibits."

(b) Chapter 121 of the General Statutes is amended by adding a new section to read:

"§ 121-7.1. Maritime Museum; disposition of artifacts.

Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4), or any other law pertaining to surplus State property, the Department of Cultural Resources, with the approval of the North Carolina Historical Commission, may sell, trade, or place on permanent loan any artifact from the collection of the North Carolina Maritime Museum unless the sale, trade, or loan would be contrary to the terms of the acquisition. Sales or exchanges shall be conducted in accordance with generally accepted practices for accredited museums. If an artifact is sold, the net proceeds of the sale shall be deposited in the State treasury to the credit of a special fund to be used for the improvement of the Museum's collections or exhibits."

Requested by: Senators Warren, Lucas, Dannelly, Hoyle, Plyler, Perdue, Odom, Representatives Ives, Sherrill

ROANOKE ISLAND COMMISSION CHANGES

Section 21.1. (a) G.S. 143B-131.2(b)(10) reads as rewritten:

"(10) To establish and maintain a separate fund composed of moneys which may come into its hands from gifts, donations, grants, or bequests, which funds will be used by the Commission for purposes of carrying out its duties and purposes herein set forth. The Commission may also establish a reserve fund to be maintained and used for contingencies and emergencies. Funds appropriated to the Commission may be transferred to the Friends of Elizabeth II, Inc., a private, nonprofit corporation. The Friends of Elizabeth II, Inc., shall use the funds transferred to it to carry out the purposes of this Part."

(b) G.S. 143B-131.2(b)(15) reads as rewritten:

"(15) To procure supplies, services, and property as appropriate and to enter into contracts, leases, or other legal agreements ~~consistent with State laws and Department rules~~ to carry out the purposes of this Part and duties of the Commission. The provisions of G.S. 143-129 and Article 3 of Chapter 143 of the General Statutes do not apply to purchases by the Roanoke Island Commission of equipment, supplies, and services."

Requested by: Senators Warren, Plyler, Perdue, Odom, Representatives Bowie, Holmes, Esposito, Creech, Crawford

UNITED ARTS COUNCIL FUNDS

Section 21.2. Of the funds appropriated in this act to the Department of Cultural Resources, the sum of sixty-eight thousand two hundred dollars ($68,200) may be allocated to the United Arts Council of Greensboro, Inc. The funds allocated pursuant to this section shall only be used for construction and renovation of facilities and for production costs associated with performing arts programs.

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford

GRANTS FOR SMALL LIBRARIES AND LIBRARIES IN ECONOMICALLY DISTRESSED COUNTIES

Section 21.3. The one million dollars ($1,000,000) appropriated by this act to the Department of Cultural Resources for aid to small libraries and libraries in economically distressed counties shall be allocated by the Secretary of that department to support capital improvements, including renovations, to public libraries in small, economically distressed counties only.

Requested by: Senators Rand, Warren, Lucas, Dannelly, Hoyle, Representatives Ives, Sherrill

STUDY RECLASSIFICATION OF STATE MUSEUM BRANCH DIRECTORS

Section 21.5. The Office of State Personnel shall study whether to reclassify the Branch Museum Administrators at the Mountain Gateway Museum, the Museum of the Albemarle, and the Museum of the Cape Fear. The Office of State Personnel shall report its findings and recommendations to the 1999 General Assembly.

PART XXIA. GENERAL ASSEMBLY

Requested by: Representative Creech

STUDY DEFINITION OF DOING BUSINESS IN NORTH CAROLINA

Section 21A.1. (a) The Revenue Laws Study Commission shall study the issue of when a corporation is doing business in North Carolina for the purposes of G.S. 105-130.3.

(b) This section is effective when it becomes law.

PART XXII. OFFICE OF ADMINISTRATIVE HEARINGS

Requested by: Senator Warren, Representatives Ives, McCombs, Sherrill

EEOC DEFERRED CASES TO OAH/REPEAL SUNSET

Section 22. Section 5 of S.L. 1997-513 reads as rewritten:

"Section 5. Section 1 of this act is effective when it becomes law, applies to charges pending or filed on and after that ~~date, and expires December 31, 1998.~~ date. The remainder of this act becomes effective July 1, 1997, and applies to all suggestions and innovations pending on that date that were submitted under the former State Employee Suggestion Program as authorized by G.S. 143-340(1) on or before June 30, 1997."

PART XXIV. STATE BOARD OF ELECTIONS

Requested by: Senators Warren, Dannelly, Lucas, Hoyle, Representatives Ives, McCombs, Sherrill

EXTEND STATEWIDE DATA ELECTIONS MANAGEMENT SYSTEM

Section 24. Section 31(a) of S.L. 1997-443 reads as rewritten:

"(a) The State Board of Elections shall establish a statewide data elections management system. The system shall prescribe data format standards, data communication standards, and data content standards. The State Board of Elections shall establish the system no later than November 1, 1997. Counties shall adhere to the standards prescribed by the system no later than ~~August 31, 1998.~~ July 1, 1999. The State Board of Elections may

adopt rules to implement this section. Chapter 150B of the General Statutes governs the adoption of rules by the State Board of Elections."

Requested by: Senator Odom, Representative McMahan

CHARTER AMENDMENT

Section 24.2. (a) G.S. 160A-104 is amended by adding the following at the end: "Notwithstanding the second sentence of this section, an initiative petition shall bear the signatures and resident addresses of a number of qualified voters of the city equal to at least six percent (6%) of the whole number of voters who are registered to vote in city elections according to the most recent figures certified by the county board of elections."

(b) This section applies only to the City of Charlotte.

(c) This section becomes effective September 1, 1999.

PART XXV. OFFICE OF STATE BUDGET AND MANAGEMENT

Requested by: Senators Warren, Plyler, Perdue, Odom, Kerr, Representatives Ives, McCombs, Sherrill

ALLOW VOLUNTEER FIRE DEPARTMENT/RESCUE EMS GRANT FUNDS TO BE USED TO PAY HIGHWAY USE TAX ON EQUIPMENT PURCHASES

Section 25. (a) G.S. 58-87-1(a) reads as rewritten:

"(a) There is created the Volunteer Fire Department Fund to provide matching grants to volunteer fire departments to purchase equipment and make capital improvements. The Fund shall be set up in the Department of Insurance. The State Treasurer shall invest its assets according to law, and the earnings shall remain in the Fund. The Fund shall be distributed under the direction of the Commissioner of Insurance. Beginning January 1, 1988, an eligible fire department may apply to the Commissioner of Insurance for a grant under this section. Beginning May 1, 1988, and on each May 15, thereafter, the Commissioner shall make grants to eligible fire departments subject to the following limitations:

(1) The size of a grant may not exceed twenty thousand dollars ($20,000);

(2) The applicant shall match the grant on a dollar-for-dollar basis;

(3) The grant may be used only for equipment ~~purchases~~ purchases, payment of highway use taxes on those purchases, or capital expenditures necessary to provide fire protection services; and

(4) An applicant may receive no more than one grant per fiscal year.

In awarding grants under this section, the Commissioner shall to the extent possible select applicants from all parts of the State based upon need. Up to two percent (2%) of the Fund may be used for additional staff and resources to administer the Fund in each fiscal year.

No fire department may be declared ineligible for a grant under this section solely because it is classified as a municipal fire department."

(b) G.S. 58-87-5(a) reads as rewritten:

"(a) There is created in the Department of Insurance the Volunteer Rescue/EMS Fund to provide grants to volunteer rescue units providing rescue or rescue and emergency medical services to purchase equipment and make capital improvements. An eligible rescue or rescue/EMS unit may apply to the Department of Insurance for a grant under this section. The application form and criteria for grants shall be established by the Department. The Department of Health and Human Services shall provide the Department with an advisory priority listing of EMS equipment eligible for funding. The State Treasurer shall invest the Fund's assets according to law, and the earnings shall remain in

the Fund. On December 15 of each year, the Department shall make grants to eligible rescue or rescue/EMS units subject to all of the following limitations:

(1) A grant to an applicant who is required to match the grant with non-State funds may not exceed fifteen thousand dollars ($15,000), and a grant to an applicant who is not required to match the grant with non-State funds may not exceed three thousand dollars ($3,000).

(2) An applicant whose liquid assets, when combined with the liquid assets of any corporate affiliate or subsidiary of the applicant, are more than one thousand dollars ($1,000) shall match the grant on a dollar-for-dollar basis with non-State funds.

(3) The grant may be used only for equipment ~~purchases~~ purchases, payment of highway use taxes on those purchases, or capital expenditures.

(4) An applicant may receive no more than one grant per fiscal year.

In awarding grants under this section, the Department shall to the extent possible select applicants from all parts of the State based upon need. Up to two percent (2%) of the Fund may be used for additional staff and resources to administer the Fund in each fiscal year. In addition, notwithstanding G.S. 58-78-20, up to four percent (4%) of the Fund may be used for additional staff and resources for the North Carolina Fire and Rescue Commission."

Requested by: Representatives Holmes, Esposito, Creech, Crawford, Ives, McCombs, Sherrill

STATE VETERANS NURSING HOME STUDY

Section 25.1. The Office of State Budget and Management, Management Section, shall conduct a study assessing the need for nursing home beds for veterans. In conducting the study, the Office of State Budget shall consult with the Department of Administration, Division of Veterans Affairs, and the Department of Health and Human Services. The study shall include the following:

(1) The size and number of facilities required to meet the needs of the present and predicted veterans population.

(2) The need for geographical diversity in the location of facilities across North Carolina to serve the veterans and their families.

(3) The estimated cost of constructing and operating new facilities and sources of funding for the construction and operations of the facilities.

(4) As an alternative to constructing new facilities, the feasibility of placing veterans in private nursing homes or other appropriate facilities where space is available and underutilized.

(5) Cost to the State and individual veterans for utilization of private facilities for veterans nursing home care, and comparison of such costs to the cost of construction, maintenance and provision of care in new facilities.

The Office of State Budget and Management shall report the findings of the study to the 1999 Session of the General Assembly by submitting a report to members of the House of Representatives Appropriations Subcommittee on General Government and the Senate Appropriations Committee on General Government by April 1, 1999.

Requested by: Senators Martin of Pitt, Jenkins, Weinstein, Albertson, Representatives Holmes, Esposito, Creech, Crawford, Mitchell, Baker, Carpenter, H. Hunter

BLUE RIDGE REGIONAL DESTINATION CENTER

Section 25.2. Of the funds appropriated to the Office of State Budget and Management for the 1998-99 fiscal year the sum of two million five hundred thousand dollars ($2,500,000) shall be placed in reserve for the construction of the Blue Ridge Regional Destination Center to be located next to the Blue Ridge Parkway Headquarters Building in Buncombe County. The funds in the reserve may be used only if federal funds are available and obligated in fiscal year 1998-99 for the construction of the Blue Ridge Regional Destination Center and if State funds are needed for that project. If the project does not receive federal funds by December 31, 1998, then those funds shall be reallocated to the Board of Governors of The University of North Carolina for the Highsmith Center at the University of North Carolina at Asheville.

PART XXVI. OFFICE OF STATE CONTROLLER

Requested by: Senators Warren, Plyler, Perdue, Odom, Representatives Ives, McCombs, Sherrill

PILOT PROGRAM ON REPORTING ON COLLECTION OF BAD DEBTS BY STATE AGENCIES

Section 26. (a) The General Assembly finds that a significant number of bad debts are owed to State agencies, and even expansion of the Debt Collection Setoff Act scheduled for 2000 may still leave room for improvement. The General Assembly has been presented information on the extent of the debts but lacks sufficient information to determine if the lack of collection in some cases relates to inability to the debtor to pay, contractual discharges that may have been taken to receive partial recovery from third parties, or need to improve collection procedures within State agencies. Focusing on health care institutions within State government will allow maximum information without disrupting other agencies which have small amounts of bad debts.

(b) The Office of State Controller shall establish a procedure by which health care institutions under or affiliated with the Department of Health and Human Services or The University of North Carolina shall report on collection of bad debts. This pilot program is intended to concentrate on agencies that have a large amount of bad debts, in order to determine the extent to which those debts may be better collected both in those agencies and in the whole of State government.

(c) The procedures shall require that in the case of each bad debt, that debt is reported to the Office of State Controller with its total amount and with standardized codes indicating the type of debt, the actions taken to collect the debt, and the estimate of the agency on the likelihood of being able to collect the bad debt.

(d) The Office of State Controller shall report the results of the pilot study to the General Assembly no later than April 1, 1999, along with recommendations on changes in law or procedure to better collect the bad debts.

Requested by: Representative Church

RECOVERY OF OVERPAYMENTS BY STATE AGENCIES

Section 26.1. G.S. 147-86.22(c) reads as rewritten:

"(c) Collection Techniques. -- The State Controller, in conjunction with the Office of the Attorney General, shall establish policies and procedures to govern techniques for collection of accounts receivable. These techniques may include use of credit reporting bureaus, judicial remedies authorized by law, and administrative setoff by a reduction of an individual's tax refund pursuant to the Setoff Debt Collection Act, Chapter 105A of the General Statutes, or a reduction of another payment, other than payroll, due from the State to a person to reduce or eliminate an account receivable that the person owes the State.

No later than January 1, 1999, the State Controller shall negotiate a contract with a third party to perform an audit and collection process of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors. The third party shall be compensated only from funds recovered as a result of the audit. Savings realized in excess of costs shall be transferred from the agency to the Office of State Budget and Management and placed in a special reserve account for future direction by the General Assembly. Any disputed savings shall be settled by the State Controller. This paragraph does not apply to the purchase of medical services by State agencies or payments used to reimburse or otherwise pay for health care services."

PART XXVIA. OFFICE OF STATE TREASURER

Requested by: Senators Warren, Dannelly, Lucas, Hoyle, Plyler, Perdue, Odom, Representatives Ives, Sherrill, McCombs, Holmes, Esposito, Creech, Crawford

DEPARTMENT OF STATE TREASURER/OFFICE SPACE IN ALBEMARLE BUILDING AND FUNDS FOR MOVING EXPENSES

Section 26A. (a) The Secretary of Administration may allocate to the Department of State Treasurer in the Albemarle Building the remaining space on the fifth floor that is not already allocated to the Department, as the space becomes available during the 1998-99 fiscal year, and 7,000 square feet of contiguous space on the sixth floor, as the space becomes available during the 1998-99 fiscal year.

(b) If the Secretary of Administration allocates space as described in subsection (a) of this section, the Department may expend up to four hundred seventy thousand seven hundred fifty dollars ($470,750) from departmental receipts and up to forty-four thousand dollars ($44,000) from funds appropriated in this act for expenses that are incurred as a result of the Department's relocation.

PART XXVIB. DEPARTMENT OF INSURANCE

Requested by: Senator Odom, Representative McMahan

INSURANCE LAW CHANGES

Section 26B. (a) G.S. 58-7-50(d) reads as rewritten:

"(d) This section is subject to the exceptions provided in G.S. 58-7-55. The Commissioner may allow a domestic insurer to maintain certain records or assets outside this State."

(b) G.S. 58-2-131(a) reads as rewritten:

"(a) This section and G.S. 58-2-132 ~~and G.S. 58-2-133~~ through G.S. 58-2-134 shall be known and may be cited as the Examination Law. The purpose of the Examination Law is to provide an effective and efficient system for examining the activities, operations, financial condition, and affairs of all persons transacting the business of insurance in this State and all persons otherwise subject to the Commissioner's jurisdiction; and to enable the Commissioner to use a flexible system of examinations that directs resources that are appropriate and necessary for the administration of the insurance statutes and rules of this State."

(c) G.S. 58-2-131(b) reads as rewritten:

"(b) As used in this ~~section, G.S. 58-2-132 and G.S. 58-2-133,~~ section and G.S. 58-2-132 through G.S. 58-2-134, unless the context clearly indicates otherwise:

(1) 'Commissioner' includes an authorized representative or designee of the Commissioner.

(2) 'Examination' means an examination conducted under the Examination Law.

(3) 'Examiner' means any person authorized by the Commissioner to conduct an examination.

(4) 'Insurance regulator' means the official or agency of another jurisdiction that is responsible for the regulation of a foreign or alien insurer.

(5) 'Person' includes a trust or any affiliate of a person."

(d) Article 2 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"**§ 58-2-134. Cost of certain examinations.**

An insurer shall reimburse the State Treasurer for the actual expenses incurred by the Department in any examination of those records or assets conducted pursuant to G.S. 58-2-131, 58-2-132, or 58-2-133 when:

(1) The insurer maintains part of its records or assets outside this State under G.S. 58-7-50 or G.S. 58-7-55 and the examination is of the records or assets outside this State.

(2) The insurer requests an examination of its records or assets.

(3) The Commissioner examines an insurer that is impaired or insolvent or is unlikely to be able to meet obligations with respect to known or anticipated claims or to pay other obligations in the normal course of business.

The amount paid by an insurer for an examination of records or assets shall not exceed one hundred thousand dollars ($100,000), unless the insurer and the Commissioner agree on a higher amount. The State Treasurer shall deposit all funds received pursuant to this section in the Insurance Regulatory Fund established pursuant to G.S. 58-6-25."

(e) G.S. 58-7-16(f) reads as rewritten:

"(f) The Commissioner has sole authority to regulate the issuance and sale of funding agreements on behalf of insurers. In addition to the authority in G.S. 58-2-40, the Commissioner may adopt rules relating to:

(1) Standards to be followed in the approval of forms of funding agreements.

(2) Reserves to be maintained by insurers issuing funding agreements.

(3) Accounting and reporting of funds credited under funding agreements.

(4) Disclosure of information to be given to holders and prospective holders of funding agreements.

(5) Qualification and compensation of persons selling funding agreements on behalf of insurers.

In determining minimum valuation reserves to be maintained by insurers issuing funding agreements, the Commissioner may use any relevant actuarial guideline, regulation, interpretation, or paper published by the Society of Actuaries or the American Academy of Actuaries that the Commissioner considers reasonable."

(f) G.S. 58-2-131(d) reads as rewritten:

"(d) The Commissioner may conduct an examination of any insurer whenever the Commissioner deems it to be prudent for the protection of policyholders but shall at a minimum conduct ~~an~~ a regular examination of every domestic insurer not less frequently than once every ~~three~~ five years. In scheduling and determining the nature, scope, and frequency of examinations, the Commissioner shall consider such matters as the results of financial statement analyses and ratios, changes in management or ownership, actuarial

opinions, reports of independent certified public accountants, and other criteria as set forth in the NAIC Examiners' Handbook."

(g) G.S. 58-2-205 reads as rewritten:

"§ 58-2-205. CPA audits of financial statements.

The Commissioner ~~is authorized to~~ may adopt rules to provide for audits and opinions of insurers' financial statements by certified public accountants. ~~Such~~ These rules shall be ~~in accordance with~~ substantially similar to the NAIC model rule that requires audited financial reports, as amended. The Commissioner may adopt, amend, or repeal provisions of these rules under G.S. 150B-21.1 in order to keep these rules current with the NAIC model rule."

(h) G.S. 150B-21.1 is amended by adding a new subsection to read:

"(a3) Notwithstanding the provisions of subsection (a) of this section, the Commissioner of Insurance may adopt a temporary rule to implement the provisions of G.S. 58-2-205 after prior notice or hearing or upon any abbreviated notice or hearing. When the Commissioner adopts a temporary rule pursuant to this subsection, the Commissioner must submit the reference to this subsection as the Commissioner's statement of need to the Codifier of Rules."

(i) G.S. 58-7-170(c) reads as rewritten:

"(c) ~~The cost of investments made by insurers in mortgage loans, authorized by G.S. 58-7-179, with any one person shall not exceed the lesser of five percent (5%) of the insurer's admitted assets or ten percent (10%) of the insurer's capital and surplus. An insurer shall not invest in additional mortgage loans without the Commissioner's consent if the admitted value of all mortgage loans held by the insurer exceeds an aggregate of sixty percent (60%) of the admitted assets of the insurer, if (i) the admitted value of all mortgage pass-through securities permitted by G.S. 58-7-173(17) does not exceed twenty-five percent (25%) of the admitted assets of the insurer and (ii) the admitted value of other mortgage loans permitted by G.S. 58-7-179 does not exceed forty percent (40%) of the admitted assets of the insurer.~~

~~An insurer that, as of October 1, 1993, has mortgage investments that exceed the aggregate limitation specified in this subsection shall submit to the Commissioner no later than January 31, 1994, a plan to bring the amount of mortgage investments into compliance with the limitations by January 1, 2001.~~

The cost of investments made by an insurer in mortgage loans authorized by G.S. 58-7-179 with any one person, or in mortgage pass-through securities and derivatives of mortgage pass-through securities authorized by G.S. 58-7-173(1), (2), (8), or (17), and backed by a single collateral package, shall not exceed three percent (3%) of the insurer's admitted assets. An insurer shall not invest in additional mortgage loans or mortgage pass-through securities and derivatives of mortgage pass-through securities without the Commissioner's consent if the admitted value of all those investments held by the insurer exceeds an aggregate of sixty percent (60%) of the admitted assets of the insurer. Within the aggregate sixty percent (60%) limitation, the admitted value of all mortgage pass-through securities and derivatives of mortgage pass-through securities permitted by G.S. 58-7-173(17) shall not exceed thirty-five percent (35%) of the admitted assets of the insurer. The admitted value of other mortgage loans permitted by G.S. 58-7-179 shall not exceed forty percent (40%) of the admitted assets of the insurer. Mortgage pass-through securities authorized by G.S. 58-7-173(1), (2), or (8) shall only be subject to the single collateral package limitation and the sixty percent (60%) aggregate limitation. No later than January 31, 1999, an insurer that has mortgage investments that exceed the limitations specified in this subsection shall submit to the Commissioner a plan to bring

the amount of mortgage investments into compliance with the specified limitations by January 1, 2004."

(j) This section is effective when it becomes law.

PART XXVII. DEPARTMENT OF TRANSPORTATION

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan

DESIGN-BUILD TRANSPORTATION CONSTRUCTION CONTRACTS AUTHORIZED

Section 27. Notwithstanding any other provision of law, the Board of Transportation may award up to three contracts annually for construction of transportation projects on a design-build basis. These contracts may be awarded after a determination by the Department of Transportation that delivery of the projects must be expedited and that it is not in the public interest to comply with normal design and construction contracting procedures. Prior to the award of a design-build contract, the Secretary of Transportation shall report to the Joint Legislative Transportation Oversight Committee and to the Joint Legislative Commission on Governmental Operations on the nature and scope of the project and the reasons an award on a design-build basis will best serve the public interest.

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan

DISCONTINUE BOND RETIREMENT TRANSFER FROM HIGHWAY FUND TO HIGHWAY TRUST FUND FOR ONE YEAR

Section 27.2. G.S. 136-176(a)(4) and G.S. 136-183 are suspended from July 1, 1998, to June 30, 1999.

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan

FEDERAL FUNDS FOR PUBLIC TRANSPORTATION IMPROVEMENTS

Section 27.3. Section 32.18 of S.L. 1997-443 reads as rewritten:

"Section 32.18. To the extent allowable by federal law, the Department of Transportation shall use ten million dollars ($10,000,000) of federal highway funds during each year of the 1997-99 biennium for improvements to public transportation."

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

Section 27.4. (a) Section 32.13 of S.L. 1997-443 reads as rewritten:

"Section 32.13. The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

FY 1999-2000	~~$1,182.2~~ $1,190.8 million
FY 2000-2001	~~$1,211.2~~ $1,225.7 million
FY 2001-2002	~~$1,241.2~~ $1,265.4 million
FY 2002-2003	~~$1,271.9~~ $1,301.0 million

The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

FY 1999-2000	~~$861.7~~ $871.4 million
FY 2000-2001	~~$891.0~~ $901.8 million
FY 2001-2002	~~$921.6~~ $934.7 million
FY 2002-2003	~~$953.3~~ $967.2 million."

(b) Section 4 of S.L. 1998-23 is repealed.

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan

OUTDOOR ADVERTISING JUST COMPENSATION SUNSET EXTENDED

Section 27.5. (a) Section 2 of Chapter 1147 of the 1981 Session Laws, as amended by all of the following:

Chapter 318 of the 1983 Session Laws

Chapter 1024 of the 1987 Session Laws

Section 1 of Chapter 166 of the 1989 Session Laws

Section 1 of Chapter 725 of the 1993 Session Laws

reads as rewritten:

"Sec. 2. This act is effective upon ratification, but shall expire ~~June 30, 1998,~~ June 30, 2002, and shall have no force or effect after that date."

(b) Section 7(a) of S.L. 1998-23 is repealed.

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan

PAYMENTS TO CONTRACT AGENTS FOR COLLECTING EMISSION CONTROL CIVIL PENALTIES AND FOR MAKING SALES OF INSPECTION STICKERS TO LICENSED INSPECTION STATIONS, AND A TECHNICAL CHANGE TO A RELATED STATUTE

Section 27.6. (a) G.S. 20-63(h) reads as rewritten:

"(h) Commission Contracts for Issuance of Plates and Certificates. -- All registration plates, registration certificates and certificates of title issued by the Division, outside of those issued from the Raleigh offices of the said Division and those issued and handled through the United States mail, shall be issued insofar as practicable and possible through commission contracts entered into by the Division for the issuance of such plates and certificates in localities throughout North Carolina with persons, firms, corporations or governmental subdivisions of the State of North Carolina and the Division shall make a reasonable effort in every locality, except as hereinbefore noted, to enter into a commission contract for the issuance of such plates and certificates and a record of these efforts shall be maintained in the Division. In the event the Division is unsuccessful in making commission contracts as hereinbefore set out it shall then issue said plates and certificates through the regular employees of the Division. Whenever registration plates, registration certificates and certificates of title are issued by the Division through commission contract arrangements, the Division shall provide proper supervision of such distribution. Commission contracts entered under this subsection shall provide for the payment of compensation for all transactions as set forth below. Nothing contained in this subsection will allow or permit the operation of fewer outlets in any county in this State than are now being operated.

A transaction is any of the following activities:

(1) Issuance of a registration plate, a registration card, a registration renewal sticker, or a certificate of title.

(2) Issuance of a handicapped placard or handicapped identification card.

(3) Acceptance of an application for a personalized registration plate.

(4) Acceptance of a surrendered registration plate, registration card, or registration renewal sticker, or acceptance of an affidavit stating why a person cannot surrender a registration plate, registration card, or registration renewal sticker.

(5) Cancellation of a title because the vehicle has been junked.

(6) Acceptance of an application for, or issuance of, a refund for a fee or a tax, other than the highway use tax.

(7) Receipt of the civil penalty imposed by G.S. 20-309 for a lapse in financial responsibility or receipt of the restoration fee imposed by that statute.

(8) Acceptance of a notice of failure to maintain financial responsibility for a motor vehicle.

(8a) Collection of civil penalties imposed for violations of G.S. 20-183.8A.

(8b) Sale of one or more inspection stickers in a single transaction to a licensed inspection station.

(9) Collection of the highway use tax.

Performance at the same time of any combination of the items that are listed within each subdivision or are listed within subdivisions (1) through ~~(8)~~ (8b) of this section is a single transaction for which a dollar and thirty-five cent ($1.35) compensation shall be paid. Performance of the item listed in subdivision (9) of this subsection in combination with any other items listed in this subsection is a separate transaction for which a one dollar and twenty cent ($1.20) compensation shall be paid."

(b) G.S. 20-183.8A reads as rewritten:

"§ 20-183.8A. Civil penalties against motorists for emissions violations.

The Division ~~must~~ shall assess a civil penalty against a person who owns or leases a vehicle that is subject to an emissions inspection and who does any of the following:

(1) Fails to have the vehicle inspected within four months after it is required to be inspected under this Part.

(2) Instructs or allows a person to tamper with an emission control device of the vehicle so as to make the device inoperative or fail to work properly.

(3) Incorrectly states the county of registration of the vehicle to avoid having an emissions inspection of the vehicle.

The amount of penalty is one hundred dollars ($100.00) if the vehicle is a pre-1981 vehicle and two hundred fifty dollars ($250.00) if the vehicle is a 1981 or newer model vehicle. As provided in G.S. 20-54, the registration of a vehicle may not be renewed until a penalty imposed under this ~~subsection~~ section has been paid."

Requested by: Senator Ballance

REOPEN STATE HIGHWAY IN BERTIE COUNTY

Section 27.7. (a) The Department of Transportation may use available funds to reopen S.R. 1109 in Bertie County.

(b) If a court determines that reopening the road requires compensation, then the Department of Transportation may expend funds from the Highway Fund in fiscal year 1998-99 for that purpose.

Requested by: Representative Weatherly

BRANDED TITLE CLARIFICATION

Section 27.8. (a) G.S. 20-71.3 reads as rewritten:

"§ 20-71.3. Salvage and other vehicles -- ~~Titles~~ titles and registration cards to be branded.

~~Motor Vehicle certificates of title and registration cards issued pursuant to G.S. 20-57 shall be branded. As used herein "branded" means that the title and registration card shall contain a designation that discloses if the vehicle is classified as (a) Flood Vehicle, (b) Non-U.S.A. Vehicle, (c) Reconstructed Vehicle, (d) Salvage Motor Vehicle, or (e) Salvage Rebuilt Vehicle or other classification authorized by law. Any motor vehicle up to six model years old damaged by collision or other occurrence which is to be retitled in~~

~~this State shall be subject to preliminary and final inspections by the Enforcement Section of the Division, and the Division shall refuse to issue a title to a vehicle up to six model years old which has not undergone a preliminary inspection. These inspections serve as an antitheft measure and do not certify the safety or roadworthiness of a vehicle. Any motor vehicle which has been branded in another state shall be branded with the nearest applicable brand specified in this section, except that no junk vehicle or vehicle that has been branded junk in another state shall be titled or registered. A motor vehicle titled in another state and damaged by collision or other occurrence may be repaired and an unbranded title issued in North Carolina only if the cost of repairs, including parts and labor, does not exceed seventy-five percent (75%) of its fair market retail value. The Commissioner shall prepare necessary forms and may adopt regulations required to carry out the provisions of this Part 3A. The title shall reflect the branding until surrendered to or cancelled by the Commissioner.~~

(a) Motor vehicle certificates of title and registration cards issued pursuant to G.S. 20-57 shall be branded in accordance with this section.

As used in this section, `branded' means that the title and registration card shall contain a designation that discloses if the vehicle is classified as any of the following:

(1) Salvage Motor Vehicle.
(2) Salvage Rebuilt Vehicle.
(3) Reconstructed Vehicle.
(4) Flood Vehicle.
(5) Non-U.S.A. Vehicle.
(6) Any other classification authorized by law.

(b) Any motor vehicle up to and including six model years old damaged by collision or other occurrence, that is to be retitled in this State, shall be subject to preliminary and final inspections by the Enforcement Section of the Division.

These inspections serve as antitheft measures and do not certify the safety or roadworthiness of a vehicle.

(c) The Division shall not retitle a vehicle described in subsection (b) of this section that has not undergone the preliminary and final inspections required by that subsection.

(d) Any motor vehicle up to and including six model years old that has been inspected pursuant to subsection (b) of this section may be retitled with an unbranded title based upon a title application by the rebuilder with a supporting affidavit disclosing all of the following:

(1) The parts used or replaced.
(2) The major components replaced.
(3) The hours of labor and the hourly labor rate.
(4) The total cost of repair.

The unbranded title shall be issued only if the cost of repairs, including parts and labor, does not exceed seventy-five percent (75%) of its fair market retail value.

(e) Any motor vehicle more than six model years old damaged by collision or other occurrence that is to be retitled by the State may be retitled, without inspection, with an unbranded title based upon a title application by the rebuilder with a supporting affidavit disclosing all of the following:

(1) The parts used or replaced.
(2) The major components replaced.
(3) The hours of labor and the hourly labor rate.
(4) The total cost of repair.

The unbranded title shall be issued only if the cost of repairs, including parts and labor, does not exceed seventy-five percent (75%) of its fair market retail value.

(f) The Division shall maintain the affidavits required by this section and make them available for review and copying by persons researching the salvage and repair history of the vehicle.

(g) Any motor vehicle that has been branded in another state shall be branded with the nearest applicable brand specified in this section, except that no junk vehicle or vehicle that has been branded junk in another state shall be titled or registered.

(h) A branded title for a salvage motor vehicle damaged by collision or other occurrence shall be issued if the cost of repairs, including parts and labor, exceeds seventy-five percent (75%) of its fair market retail value.

(i) Once the Division has issued a branded title for a motor vehicle all subsequent titles for that motor vehicle shall continue to reflect the branding.

(j) The Division shall prepare necessary forms and may adopt rules required to carry out the provisions of this Part."

(b) G.S. 20-71.4(a) reads as rewritten:

"~~(a) It shall be unlawful and constitute a Class 2 misdemeanor for any transferor who knows or reasonably should know that a motor vehicle has been involved in a collision or other occurrence to the extent that the cost of repairing that vehicle exceeds twenty-five percent (25%) of its fair market retail value, or that the motor vehicle is, or was, a flood vehicle, a reconstructed vehicle, or a salvage motor vehicle, to fail to disclose that fact in writing to the transferee prior to transfer of any vehicle up to five model years old. Failure to disclose any of the above information will also result in civil liability under G.S. 20-348. The Commissioner may prepare forms to carry out the provisions of this section.~~

(a) It shall be unlawful and constitute a Class 2 misdemeanor for any transferor who knows or reasonably should know that:

(1) A motor vehicle up to and including five model years old has been involved in a collision or other occurrence to the extent that the cost of repairing that vehicle exceeds twenty-five percent (25%) of its fair market retail value at the time of the damage; or

(2) The motor vehicle is, or was, a flood vehicle, a reconstructed vehicle, or a salvage motor vehicle

to fail to disclose that fact in writing to the transferee prior to the transfer of the vehicle. Failure to disclose any of the above information will also result in civil liability under G.S. 20-348. The Commissioner may prepare forms to carry out the provisions of this section."

(c) The Joint Legislative Transportation Oversight Committee shall study all aspects of salvage titles, antitheft inspections, and damage disclosures and shall make recommendations for any needed statutory changes to the 1999 Session of the General Assembly.

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan

DMV ENFORCEMENT SECTION PAY EQUITY PLAN LIMITATIONS

Section 27.9. Of the funds appropriated in this act to the Department of Transportation, up to three million three hundred ninety thousand seven hundred eight dollars ($3,390,708) may be used to adjust the salaries and benefits of the enforcement officers assigned to the Enforcement Section of the Division of Motor Vehicles.

These adjustments shall be based on factors such as: employee salary, position class title, position grade, and creditable years of sworn service with the Enforcement Section.

No salary adjustment shall result in an increase beyond the maximum salary set for an officer's pay grade. If an officer's salary is near or at the top of the officer's pay grade, the officer shall be eligible to receive a salary adjustment up to the top of the officer's pay grade. If an officer is at the top of the officer's pay grade, then the officer is not eligible to receive a salary adjustment.

Before adjusting salaries or benefits pursuant to this section, the Department of Transportation shall do all of the following:

(1) Consult with and get approval of the Office of State Personnel.

(2) Report to the Joint Legislative Transportation Oversight Committee.

(3) Report to the Joint Legislative Commission on Governmental Operations.

Requested by: Representative C. Wilson

PERFORMANCE AUDIT OF PUBLIC TRANSPORTATION AND RAIL DIVISIONS

Section 27.10. The State Auditor shall conduct a performance audit of the Public Transportation and Rail Divisions of the Department of Transportation. The performance audit shall be conducted according to Government Auditing Standards as promulgated by the Comptroller General of the United States. The results of the audit shall be presented to the Fiscal Research Division of the General Assembly no later than February 1, 1999.

Requested by: Senators Plyler, Odom, Perdue, Representatives McMahan, Bowie, Dockham

REGIONAL TRANSPORTATION STUDY BY CENTRALINA COUNCIL OF GOVERNMENTS FUNDS

Section 27.12. From funds appropriated to the Department of Transportation from the Highway Fund, the Department shall expend up to five hundred thousand dollars ($500,000) for the 1998-99 fiscal year to fund an ongoing regional transportation study by the Centralina Council of Governments through the Regional Business Committee on Transportation.

The study shall be conducted by the Regional Business Committee on Transportation and administered through the Centralina Council of Governments.

Funds expended for the regional transportation study shall be approved by the Department of Transportation which shall make written reports to the Joint Legislative Transportation Oversight Committee on the progress of the study.

These funds do not revert at the end of the 1998-99 fiscal year, but remain available until the study is complete.

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford

JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE TO STUDY NONBETTERMENT UTILITY RELOCATIONS

Section 27.13. (a) The Joint Legislative Transportation Oversight Committee shall study the statutory requirement in G.S. 136-27.1 that the Department of Transportation pay, in certain circumstances, for the nonbetterment costs for the relocations of water and sewer lines located within existing State highway rights-of-way that are necessary to be relocated for State highway improvement projects.

(b) The Joint Legislative Transportation Oversight Committee shall report the results of this study to the General Assembly by December 31, 1999.

Requested by: Representatives McMahan, Bowie, Dockham

BLUE RIBBON TRANSPORTATION FINANCE STUDY COMMISSION

Section 27.15. (a) Commission Established. -- There is established a Blue Ribbon Transportation Finance Study Commission.

(b) Membership. -- The Commission shall be composed of 15 members as follows:

(1) Three members of the House of Representatives appointed by the Speaker of the House of Representatives.

(2) Three members of the Senate appointed by the President Pro Tempore of the Senate.

(3) Three members of the public appointed by the Governor, none of whom shall be State officials, and two of whom shall have expertise in transportation matters.

(4) Three members of the public appointed by the Speaker of the House of Representatives, one of whom shall be a municipal-elected official, and one of whom shall have expertise in transportation matters.

(5) Three members of the public appointed by the President Pro Tempore of the Senate, one of whom shall be an elected county official, and one of whom shall have expertise in transportation matters.

(b1) Secretary of Transportation. -- The Commission shall invite the Secretary of Transportation to attend each meeting of the Commission and encourage his participation in the Commission's deliberations.

(c) Duties of Commission. -- The Commission shall study the following matters related to Transportation Finance:

(1) The Highway Trust Fund Act of 1989. -- The Commission shall review the current law and recommend any revisions that may be necessary, based on the nine-year history of the fund and the current transportation needs of the State.

(2) Current revenue sources. -- The Commission shall review all current revenue sources that support State transportation programs, and recommend changes, additions, or deletions based on projected needs for the next 25 years.

(3) Transportation system maintenance. -- The Commission shall review current financing of transportation system maintenance and recommend changes to accommodate maintenance of new construction and increased traffic volume.

(4) Public transportation. -- The Commission shall evaluate funding public transportation with dedicated sources of funds. The Commission's recommendation shall include specific sources and amounts of any dedicated funds, if recommended.

(5) Transfers from the Highway Fund to other State agencies, including whether or not those funds would more appropriately come from the General Fund.

(6) Other transportation financing issues. -- The Commission may study any other transportation finance-related issue approved by the cochairs or recommended by the Secretary of Transportation and approved by the cochairs.

(d) Vacancies. -- Any vacancy on the Commission shall be filled by the appointing authority.

(e) Cochairs. -- Cochairs of the Commission shall be designated by the Speaker of the House of Representatives and the President Pro Tempore of the Senate from among their respective appointees. The Commission shall meet upon the call of the chairs. A quorum of the Commission shall be eight members.

(f) Expenses of Members. -- Members of the Commission shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, 138-5, or 138-6, as appropriate.

(g) Staff. -- Adequate staff shall be provided to the Commission by the Legislative Services Office.

(h) Consultants. -- The Commission may hire consultants to assist with the study. Before expending any funds for a consultant, the Commission shall report to the Joint Legislative Commission on Governmental Operations on the consultant selected, the work products to be provided by the consultant, and the cost of the contract, including an itemization of the cost components.

(h1) Meetings During Legislative Session. -- The Commission may meet during a regular or special session of the General Assembly, subject to approval of the Speaker of the House of Representatives and President Pro Tempore of the Senate.

(i) Meeting Location. -- The Commission shall meet at various locations around the State in order to promote greater public participation in its deliberations. The Legislative Services Commission shall grant adequate meeting space to the Commission in the State Legislative Building or the Legislative Office Building.

(j) Report. -- The Commission shall submit an interim report to the Joint Legislative Transportation Oversight Committee on or before June 1, 1999. The Commission shall submit a final report to the Joint Legislative Transportation Oversight Committee by March 1, 2000. Upon the filing of its final report, the Commission shall terminate.

(k) Appropriation. -- From appropriations to the General Assembly, the Legislative Services Commission may allocate up to two hundred thousand dollars ($200,000) for the expenses of the Commission.

Requested by: Representatives Bowie, Dockham, McMahan

MEDIUM CUSTODY ROAD CREW COMPENSATION

Section 27.16. (a) Of funds appropriated to the Department of Transportation by this act, six million five hundred thousand dollars ($6,500,000) shall be used by the Department to reimburse the Department of Correction during the 1998-99 fiscal year for costs authorized by G.S. 148-26.5 for reimbursement for highway-related labor performed by medium custody prisoners. The Department of Transportation may use funds appropriated by this act to pay requested reimbursements submitted by the Department of Correction over and above the six million five hundred thousand dollars ($6,500,000), but those reimbursement requests shall be subject to negotiations among the Department of Transportation, the Department of Correction, and the Office of State Budget and Management prior to payment by the Department of Transportation.

(b) Sections 19.16 and 32.2 of S.L. 1997-443 are repealed.

Requested by: Representative Hiatt

DMV MEDICAL EVALUATION PROGRAM ENHANCEMENT FUNDS

Section 27.17. Of funds appropriated from the Highway Fund to the Division of Motor Vehicles, the sum of ninety-three thousand five hundred thirteen dollars ($93,513) for the 1998-99 fiscal year shall be used to fund an additional Public Health Physician II in the Department of Health and Human Services to review the medical

records of the growing number of drivers referred to the Drivers License Medical Evaluation Program. This implements a recommendation of the Drivers License Medical Evaluation Program Study Commission.

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan

DISCLOSURE OF PERSONAL INFORMATION IN MOTOR VEHICLE RECORDS

Section 27.18. (a) Section 17.1 of Chapter 23 of the 1998 Session Laws reads as rewritten:

"Section 17.1. Notwithstanding any other provision of law, the Division of Motor Vehicles shall not disclose personal information in its records for purposes specified in 18 U.S.C § 2721(b)(12) prior to ~~July 1, 1999.~~ January 1, 2000. This section shall not expire until ~~July 1, 1999.~~ January 1, 2000."

(b) The Joint Legislative Transportation Oversight Committee shall study the issue of disclosure of personal information in Division of Motor Vehicles records and report its recommendations to the General Assembly on or before December 1, 1999.

PART XXVIII. SALARIES AND BENEFITS

Requested by: Senators Plyler, Perdue, Odom

CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES

Section 28.2. (a) Section 33.2 of Chapter 443 of the 1997 Session Laws, as amended by Section 5 of S.L. 1998-153, reads as rewritten:

"Section 33.2. The annual salaries, payable monthly, for the 1998-99 fiscal year, beginning July 1, 1998, for the following executive branch officials are:

Executive Branch Officials	Annual Salary
Chairman, Alcoholic Beverage Control Commission	$86,602
State Controller	121,199
Commissioner of Motor Vehicles	86,602
Commissioner of Banks	97,389
Chairman, Employment Security Commission	121,046
State Personnel Director	95,149
Chairman, Parole Commission	79,078
Members of the Parole Commission	73,008
Chairman of the Utilities Commission	~~98,460~~ 108,459
Commissioners of the Utilities Commission	97,388
Executive Director, Agency for Public Telecommunications	73,008
General Manager, Ports Railway Commission	65,925
Director, Museum of Art	88,739
~~Executive Director, Wildlife Resources Commission~~	~~74,746~~
Executive Director, North Carolina Housing Finance Agency	107,179
Executive Director, North Carolina Agricultural Finance Authority	84,294
Director, Office of Administrative Hearings	83,141".

(b) Notwithstanding subsection (a) of this section, the changes in this section for the salaries of the Executive Director of the Wildlife Resources Commission and the Chairman of the Utilities Commission become effective November 1, 1998.

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford

GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES

Section 28.7. (a) G.S. 120-37(c) as rewritten by Section 10 of S.L. 1998-153 reads as rewritten:

"(c) The principal clerks shall be full-time officers. Each principal clerk shall be entitled to other benefits available to permanent legislative employees and shall be paid an annual salary of ~~sixty-one thousand six hundred fifty-seven dollars ($61,657)~~ eighty-one thousand six hundred ninety-six dollars ($81,696) payable monthly. The Legislative Services Commission shall review the salary of the principal clerks prior to submission of the proposed operating budget of the General Assembly to the Governor and Advisory Budget Commission and shall make appropriate recommendations for changes in those salaries. Any changes enacted by the General Assembly shall be by amendment to this paragraph."

(b) This section becomes effective November 1, 1998.

Requested by: Senators Lee, Martin of Guilford, Plyler, Perdue, Odom, Representatives Arnold, Gardner, Cansler, Clary, Holmes, Esposito, Creech, Crawford

AGENCY TEACHER SUPPLEMENT

Section 28.16. Section 19 of S.L. 1998-153 is amended by adding a new subsection to read:

"(d1) The Director of the Budget shall transfer from the Reserve for Compensation Increase in this act for fiscal year 1998-99 funds necessary to provide statewide teacher supplements for State agency teachers who are paid on the teacher salary schedule as set out in Section 1 of this act based on five percent (5%) of their salaries."

Requested by: Representative Allred

STATE EMPLOYEE COLA/RESOLVED DISCIPLINARY ACTIONS

Section 28.16B. (a) G.S. 126-7(c)(4b) reads as rewritten:

"(4b) An employee whose performance is rated at or above level two of the rating scale and who ~~is~~ has not ~~involved in the final written stage of the disciplinary procedure~~ received a suspension without pay or demotion that has not been resolved shall receive a cost-of-living increase. Other than the Commission, no agency, department, or institution shall set limits or initiate written disciplinary procedures for the purpose of precluding an eligible employee from receiving a cost-of-living adjustment."

(b) Section 19(c) of S.L. 1998-153 reads as rewritten:

"(c) The salary increases provided in this act are to be effective July 1, 1998, do not apply to persons separated from State service due to resignation, dismissal, reduction in force, death, or retirement, whose last workday is prior to July 1, ~~1998, or to employees involved in final written disciplinary procedures. The employee shall receive the increase on a current basis when the final written disciplinary procedure is resolved.~~ 1998.

Payroll checks issued to employees after July 1, 1998, which represent payment of services provided prior to July 1, 1998, shall not be eligible for salary increases provided for in this act. This subsection shall apply to all employees, subject to or exempt from the

State Personnel Act, paid from State funds, including public schools, community colleges, and The University of North Carolina."

(c) This section becomes effective July 1, 1998, and applies to any employee involved in the final written stage of a disciplinary procedure on or after January 1, 1997.

Requested by: Senators Plyler, Perdue, Odom, Rand

SALARIES OF THE ADMINISTRATOR AND THE EXECUTIVE SECRETARY OF THE INDUSTRIAL COMMISSION SET BY STATUTE

Section 28.18.(a) G.S. 97-78 reads as rewritten:

"**§ 97-78. Salaries and expenses; ~~secretary and other clerical~~ administrator, executive secretary, and other staff assistance; annual report.**

(a) The salary of each commissioner shall be the same as that fixed from time to time for district attorneys except that the commissioner designated as chair shall receive one thousand five hundred dollars ($1,500) additional per annum.

(b) The Commission may appoint an administrator whose duties shall be prescribed by the Commission, and who shall be subject to the State Personnel System. The Commission may appoint ~~a~~ an executive secretary whose duties shall be prescribed by the Commission, and who shall be subject to the State Personnel System and who, upon entering upon his duties, shall give bond in such sum as may be fixed by the ~~Commission, and who may be removed at the will of the~~ Commission. The Commission may also employ such clerical or other assistance as it may deem necessary, and fix the compensation of ~~all persons so employed, such compensation to~~ its staff, except that the salaries of the administrator and the executive secretary shall be fixed by subsection (b1) of this section. The compensation of Commission staff shall be in keeping with the compensation paid to the persons employed to do similar work in other State departments.

(b1) The salary of the administrator shall be ninety percent (90%) of the salary of a commissioner. The salary of the executive secretary shall be eighty percent (80%) of the salary of a commissioner. In lieu of merit and other incremental raises, the administrator and the executive secretary shall receive longevity pay on the same basis as is provided to other employees subject to the State Personnel Act.

(c) The members of the Commission and its assistants shall be entitled to receive from the State their actual and necessary expenses while traveling on the business of the Commission, but such expenses shall be certified by the person who incurred the same, and shall be approved by the chairman of the Commission before payment is made.

(d) All salaries and expenses of the Commission shall be audited and paid out of the State treasury, in the manner prescribed for similar expenses in other departments or branches of the State service, and to defray such salaries and expenses a sufficient appropriation shall be made under the General Appropriation Act as made to other departments, commissions and agencies of the State government.

(e) The Commission shall publish annually for free distribution a report of the administration of this Article, together with such recommendations as the Commission deems advisable."

(b) Of the funds appropriated from the General Fund to the Department of Commerce, the sum of twenty thousand dollars ($20,000) for the 1998-99 fiscal year shall be used to implement the Industrial Commission staff salaries authorized by subsection (a) of this section.

(c) This section becomes effective November 1, 1998.

Requested by: Senators Plyler, Perdue, Odom, Martin of Pitt

WILDLIFE RESOURCES COMMISSION DIRECTOR SALARY

Section 28.19. (a) G.S. 143-246 reads as rewritten:

"§ 143-246. Executive Director; appointment, qualifications and duties.

The North Carolina Wildlife Resources Commission as soon as practicable after its organization shall select and appoint a competent person qualified as hereinafter set forth as Executive Director of the North Carolina Wildlife Resources Commission. The Executive Director shall be charged with the supervision of all activities under the jurisdiction of the Commission and shall serve as the chief administrative officer of the said Commission. Subject to the approval of the Commission and the Director of the Budget, he is hereby authorized to employ such clerical and other assistants as may be deemed necessary. The person selected as Executive Director shall have had training and experience in conservation, protection and management of wildlife resources. The salary of such Director shall be fixed by the ~~General Assembly in the Current Operations Appropriations Act, and said~~ Wildlife Resources Commission, in an amount at least equal to the salary of the Director of the Division of Marine Fisheries. The Director shall be allowed actual expenses incurred while on official duties away from resident ~~headquarters; said~~ headquarters. The salary and expenses ~~to~~ of the Director shall be paid from the Wildlife Resources Fund subject to the provisions of the Executive Budget Act. The term of office of the Executive Director shall be at the pleasure of the Commission. Such bond shall be made as part of the blanket bond of State officers and employees provided for in G.S. 128-8."

(b) This section becomes effective November 1, 1998.

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford

TRAVEL RATES FOR STATE EMPLOYEES

Section 28.20. (a) G.S. 138-6(a) reads as rewritten:

"(a) Travel on official business by the officers and employees of State departments, institutions and agencies which operate from funds deposited with the State Treasurer shall be reimbursed at the following rates:

(1) For transportation by privately owned automobile, the business standard mileage rate set by the Internal Revenue Service per mile of travel and the actual cost of tolls paid. Any other law which sets a mileage rate by referring to the rate set herein, instead establishes a rate of twenty-five cents (25¢) per mile. No reimbursement shall be made for the use of a personal car in commuting from an employee's home to his duty station in connection with regularly scheduled work hours. Any designation of an employee's home as his duty station by a department head shall require prior approval by the Office of State Budget and Management on an annual basis.

(2) For bus, railroad, Pullman, or other conveyance, actual fare.

(3) For expenses incurred for subsistence, payment of ~~seventy-one dollars ($71.00)~~ eighty-one dollars ($81.00) per day when traveling in-state or ~~eighty-three dollars ($83.00)~~ ninety-three dollars ($93.00) per day when traveling out-of-state. Payment of sales tax, lodging tax, local tax, or service fees applied to the cost of lodging are to be paid in addition to the daily subsistence amount. The employee may exceed the part of the ceiling allocated for lodging without approval for overexpenditure provided that the total lodging and food reimbursement does not exceed the maximum provided by this subdivision. When travel involves less than a full day (24-hour

period), a reasonable prorated amount shall be paid in accordance with regulations and criteria which shall be promulgated and published by the Director of the Budget. Reimbursement to State employees for lunches eaten while on official business may be made only in the following circumstances:

a. When an overnight stay is required reimbursement is allowed while an employee is in travel status;

b. When the cost of the lunch is included as part of a registration fee for a formal congress, conference, assembly, or convocation, by whatever name called. Such assembly must involve the active participation of persons other than the employees of a single State department, institution, or agency and must be necessary for conducting official State business; or

c. When the State employee is a member ~~of~~ of, or providing staff assistance to, a State board, commission, committee, or council which operates from funds deposited with the State Treasurer, and the lunch is preplanned as part of the meeting for the entire board, commission, committee, or council.

(4) For convention registration fees not to exceed ~~thirty dollars ($30.00) per convention.~~ the actual amount expended as shown by a valid receipt or invoice."

(b) The Office of State Budget and Management shall revise the schedule used for reporting allowable subsistence expenses incurred by State officers and employees while traveling on State business by allocating to lodging the increase provided in subsection (a) of this section.

(c) This section becomes effective January 1, 1999, and applies to travel on or after that date.

Requested by: Senators Warren, Kerr, Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford, Daughtry

INCREASE THE MONTHLY PENSION FOR MEMBERS OF THE FIREMEN'S AND RESCUE SQUAD WORKERS' PENSION FUND

Section 28.21. (a) G.S. 58-86-55 reads as rewritten:

"§ 58-86-55. Monthly pensions upon retirement.

Any member who has served 20 years as an `eligible fireman' or `eligible rescue squad worker' in the State of North Carolina, as provided in G.S. 58-86-25 and G.S. 58-86-30, and who has attained the age of 55 years is entitled to be paid a monthly pension from this fund. The monthly pension shall be in the amount of ~~one hundred forty-one dollars ($141.00)~~ one hundred forty-six dollars ($146.00) per month. Any retired fireman receiving a pension shall, effective ~~July 1, 1997,~~ July 1, 1998, receive a pension of ~~one hundred forty-one dollars ($141.00)~~ one hundred forty-six dollars ($146.00) per month.

Members shall pay ten dollars ($10.00) per month as required by G.S. 58-86-35 and G.S. 58-86-40 for a period of no longer than 20 years. No `eligible rescue squad member' shall receive a pension prior to July 1, 1983. No member shall be entitled to a pension hereunder until the member's official duties as a fireman or rescue squad worker for which the member is paid compensation shall have been terminated and the member shall have retired as such according to standards or rules fixed by the board of trustees.

A member who is totally and permanently disabled while in the discharge of the member's official duties as a result of bodily injuries sustained or as a result of extreme exercise or extreme activity experienced in the course and scope of those official duties

and who leaves the fire or rescue squad service because of this disability shall be entitled to be paid from the fund a monthly benefit in an amount of ~~one hundred forty-one dollars ($141.00)~~ one hundred forty-six dollars ($146.00) per month beginning the first month after the member's fifty-fifth birthday. All applications for disability are subject to the approval of the board who may appoint physicians to examine and evaluate the disabled member prior to approval of the application, and annually thereafter. Any disabled member shall not be required to make the monthly payment of ten dollars ($10.00) as required by G.S. 58-86-35 and G.S. 58-86-40.

A member who is totally and permanently disabled for any cause, other than line of duty, who leaves the fire or rescue squad service because of this disability and who has at least 10 years of service with the pension fund, may be permitted to continue making a monthly contribution of ten dollars ($10.00) to the fund until the member has made contributions for a total of 240 months. The member shall upon attaining the age of 55 years be entitled to receive a pension as provided by this section. All applications for disability are subject to the approval of the board who may appoint physicians to examine and evaluate the disabled member prior to approval of the application and annually thereafter.

A member who, because his residence is annexed by a city under Part 2 or Part 3 of Article 4 of Chapter 160A of the General Statutes, or whose department is closed because of an annexation by a city under Part 2 or Part 3 of Article 4 of Chapter 160A of the General Statutes, and because of such annexation is unable to perform as a fireman of any status, and if the member has at least 10 years of service with the pension fund, may be permitted to continue making a monthly contribution of ten dollars ($10.00) to the fund until the member has made contributions for a total of 240 months. The member upon attaining the age of 55 years and completion of such contributions shall be entitled to receive a pension as provided by this section. Any application to make monthly contributions under this section shall be subject to a finding of eligibility by the Board of Trustees upon application of the member.

The pensions provided shall be in addition to all other pensions or benefits under any other statutes of the State of North Carolina or the United States, notwithstanding any exclusionary provisions of other pensions or retirement systems provided by law."

(b) This section becomes effective July 1, 1998.

Requested by: Senators Winner, Lee, Dalton, Purcell, Plyler, Perdue, Odom, Representatives Arnold, Preston, Oldham, Holmes, Esposito, Creech, Crawford

PERMIT RETIRED TEACHERS TO WORK AS SUBSTITUTE TEACHERS IN PUBLIC SCHOOLS OR AS TEACHERS IN LOW-PERFORMING PUBLIC SCHOOLS WITHOUT LOSING RETIREMENT BENEFITS

Section 28.24. (a) G.S. 135-3(8)c. reads as rewritten:

"c. Should a beneficiary who retired on an early or service retirement allowance under this Chapter be reemployed, or otherwise engaged to perform services, by an employer participating in the Retirement System on a part-time, temporary, interim, or on a fee-for-service basis, whether contractual or otherwise, and if such beneficiary earns an amount in any calendar year which exceeds fifty percent (50%) of the reported compensation, excluding terminal payments, during the 12 months of service preceding the effective date of retirement, or twenty thousand dollars ($20,000), whichever is greater, as hereinafter indexed, then the retirement allowance shall be

suspended as of the first day of the month following the month in which the reemployment earnings exceed the amount above, for the balance of the calendar year. The retirement allowance of the beneficiary shall be reinstated as of January 1 of each year following suspension. The amount that may be earned before suspension shall be increased on January 1 of each year by the ratio of the Consumer Price Index to the Index one year earlier, calculated to the nearest tenth of a percent (1/10 of 1%).

The computation of postretirement earnings of a beneficiary under this sub-subdivision, G.S 135-3(8)c., who has been retired at least 12 months and has not been employed in any capacity, except as a substitute teacher, with a public school for at least 12 months, shall not include earnings while:

1. The beneficiary is employed to teach on a substitute or interim basis, and not on a permanent basis, in a public school;
2. The beneficiary is employed to teach in the teacher's area of certification in a low-performing school. As used in this sub-subdivision, a low-performing school is a public elementary or middle school at which forty-eight percent (48%) or more of the students were below grade level during either of the prior two school years or a public high school identified by the State Board of Education as low-performing. If the designation of low-performing is removed while the beneficiary is employed to teach at the school, the provisions of this sub-subdivision apply for the next two school years after the designation is removed; or
3. The beneficiary is employed to teach in a public school in the teacher's area of certification in a geographical area in which the State Board of Education determines that there is a shortage of teachers in the beneficiary's area of certification.

The Department of Public Instruction shall certify to the Retirement System that a beneficiary is employed to teach by a local school administrative unit under the provisions of this sub-subdivision and as a probationary teacher as the term is defined under the provisions of G.S. 115C-325(a)(5).

Beneficiaries employed under this sub-subdivision are not entitled to any benefits otherwise provided under this Chapter as a result of this period of employment."

(b) G.S. 115C-316 is amended by adding a new subsection to read:

"(d) A local board of education may pay a retired teacher, as that term is defined in G.S. 115C-325(a)(5a) no more than the employee would have received on the teacher salary schedule, excluding longevity, had the employee not retired.

(c) G.S. 115C-325(a) reads as rewritten:

"(a) Definition of Terms. -- As used in this section unless the context requires otherwise:

(1) Repealed by Session Laws 1997-221, s. 13(a).

(1a) "Career employee" as used in this section means:

a. An employee who has obtained career status with that local board as a teacher as provided in G.S. 115C-325(c);

b. An employee who has obtained career status with that local board in an administrative position as provided in G.S. 115C-325(d)(2);

c. A probationary teacher during the term of the contract as provided in G.S. 115C-325(m); and

d. A school administrator during the term of a school administrator contract as provided in G.S. 115C-287.1(c).

(1b) "Career school administrator" means a school administrator who has obtained career status in an administrative position as provided in G.S. 115C-325(d)(2).

(1c) "Career teacher" means a teacher who has obtained career status as provided in G.S. 115C-325(c).

(1d) "Case manager" means a person selected under G.S. 115C-325(h)(7).

(2) Repealed by Session Laws 1997, c. 221, s. 13(a).

(3) "Day" means calendar day. In computing any period of time, Rule 6 of the North Carolina Rules of Civil Procedure shall apply.

(4) "Demote" means to reduce the salary of a person who is classified or paid by the State Board of Education as a classroom teacher or as a school administrator. The word "demote" does not include: (i) a suspension without pay pursuant to G.S. 115C-325(f)(1); (ii) the elimination or reduction of bonus payments, including merit-based supplements, or a systemwide modification in the amount of any applicable local supplement; or (iii) any reduction in salary that results from the elimination of a special duty, such as the duty of an athletic coach or a choral director.

(4a) "Disciplinary suspension" means a final decision to suspend a teacher or school administrator without pay for no more than 60 days under G.S. 115C-325(f)(2).

(5) "Probationary teacher" means a certificated person, other than a superintendent, associate superintendent, or assistant superintendent, who has not obtained career-teacher status and whose major responsibility is to teach or to supervise teaching.

(5a) "Retired teacher" means a beneficiary of the Teachers' and State Employees' Retirement System of North Carolina who has been retired at least 12 months, has not been employed in any capacity, other than as a substitute teacher, with a local board of education for at least 12 months, is determined by a local board of education to have had satisfactory performance during the last year of employment by a local board of education, and who is employed to teach as provided in G.S. 135-3(8)c1. A retired teacher shall be treated the same as a probationary teacher except that a retired teacher is not eligible for career status."

~~(5a)~~

(5b) "School administrator" means a principal, assistant principal, supervisor, or director whose major function includes the direct or indirect supervision of teaching or any other part of the instructional program as provided in G.S. 115C-287.1(a)(3).

(6) "Teacher" means a person who holds at least a current, not provisional or expired, Class A certificate or a regular, not provisional or expired, vocational certificate issued by the Department of Public Instruction; whose major responsibility is to teach or directly supervises teaching or who is classified by the State Board of Education or is paid as a classroom teacher; and who is employed to fill a full-time, permanent position.

(7) Redesignated as (a)(5a).

(8) "Year" for purposes of computing time as a probationary teacher shall be not less than 120 workdays performed as a probationary teacher in a full-time permanent position in a school year."

(d) This section becomes effective January 1, 1999, and expires June 30, 2003.

Requested by: Senators Cooper, Rand, Plyler, Perdue, Odom, Lee, Representatives Holmes, Esposito, Creech, Crawford

SALARY CONTINUATION BENEFITS FOR UNIVERSITY SYSTEM CAMPUS LAW ENFORCEMENT OFFICERS

Section 28.25. (a) G.S. 143-166.13(a) is amended by adding a new subdivision to read:

"(19) Sworn State Law-Enforcement Officers with the power of arrest, University System."

(b) This section becomes effective July 1, 1998, and applies to incapacities that occur on or after that date.

Requested by: Senators Jenkins, Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford

ALLOW MEMBERS OF THE LEGISLATIVE, LOCAL GOVERNMENTAL EMPLOYEES', AND TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEMS TO CHANGE THEIR DESIGNATED BENEFICIARIES AFTER RETIREMENT HAS BECOME EFFECTIVE UNDER CERTAIN CIRCUMSTANCES

Section 28.26. (a) G.S. 120-4.26 reads as rewritten:

"§ 120-4.26. Benefit payment options.

Any member may elect to receive his benefits in a retirement allowance payable throughout life, or he may elect to receive the actuarial equivalent of the retirement allowance in a reduced allowance payable throughout life under the provisions of one of the options set forth below. No election may be made after the first payment becomes due, or the first retirement check cashed, nor may an election be revoked or a nomination changed. The election of Option 2 or Option 3 or the nomination of the person thereunder shall be revoked if the person nominated dies prior to the date the first payment becomes normally due or until the first retirement check has been cashed. The election may be revoked by the member prior to the date the first payment becomes normally due or until his first retirement check has been cashed. Provided, however, in the event a member has elected Option 2 or Option 3 and nominated his or her spouse to receive a retirement allowance upon the member's death, and the spouse predeceases the member after the first payment becomes normally due or the first retirement check has been cashed, if the member remarries he or she may nominate a new spouse to receive the retirement allowance under the previously elected option, within 90 days of the remarriage. The new nomination shall be effective on the first day of the month in which it is made and shall

provide for a retirement allowance computed to be the actuarial equivalent of the retirement allowance in effect immediately prior to the effective date of the new nomination. ~~Provided, however, any~~ Any member having elected Options 2 or 3 and nominated his or her spouse to receive a retirement allowance upon the member's death may, after divorce from his or her spouse, revoke the nomination and elect a new option, effective on the first day of the month in which the new option is elected, providing for a retirement allowance computed to be the actuarial equivalent to the retirement allowance in effect immediately prior to the effective date of the new option.

Option 1. For Members Retiring Prior to July 1, 1993. -- If a member dies within 10 years from his retirement date, an amount equal to his accumulated contributions at retirement, less one-one hundred twentieth (1/120) for each month for which he has received a retirement allowance payment, shall be paid to his legal representative or to the person he nominates by written designation acknowledged and filed with the Board of Trustees;

Option 2. -- Upon his death, his reduced retirement allowance shall be continued throughout the life of and paid to the person he nominates by written designation duly acknowledged and filed with the Board of Trustees at the time of his retirement. If the person selected is other than his spouse, the reduced retirement allowance payable to the member shall not be less than one half of the retirement allowance without optional modification which would otherwise be payable to him; or

Option 3. -- Upon his death, one half of his reduced retirement allowance shall be continued throughout the life of and paid to the person he nominates by written designation duly acknowledged and filed with the Board of Trustees at the time of his retirement."

(b) G.S. 128-27(g) reads as rewritten:

"(g) Election of Optional Allowance. -- With the provision that until the first payment on account of any benefit becomes normally due, or his first retirement check has been cashed, any member may elect to receive his benefits in a retirement allowance payable throughout life, or he may elect to receive the actuarial equivalent of such retirement allowance in a reduced allowance payable throughout life under the provisions of one of the Options set forth below. The election of Option two or Option three or nomination of the person thereunder shall be revoked if such person nominated dies prior to the date the first payment becomes normally due or the first retirement check has been cashed. Such election may be revoked by the member prior to the date the first payment becomes normally due or his first retirement check has been cashed. Provided, however, in the event a member has elected Option 2 or Option 3 and nominated his or her spouse to receive a retirement allowance upon the member's death, and the spouse predeceases the member after the first payment becomes normally due or the first retirement check has been cashed, if the member remarries he or she may nominate a new spouse to receive the retirement allowance under the previously elected option, within 90 days of the remarriage. The new nomination shall be effective on the first day of the month in which it is made and shall provide for a retirement allowance computed to be the actuarial equivalent of the retirement allowance in effect immediately prior to the effective date of the new nomination. ~~Provided, however, any~~ Any member having elected Options two, three, or six and nominated his or her spouse to receive a retirement allowance upon the member's death may, after divorce from his or her spouse, revoke the nomination and elect a new option, effective on the first day of the month in which the new option is elected, providing for a retirement allowance computed to be the actuarial equivalent of the retirement allowance in effect immediately prior to the effective date of the new option.

Option one. (a) In the Case of a Member Who Retires prior to July 1, 1965. -- If he dies before he has received in annuity payments the present value of his annuity as it was at the time of his retirement, the balance shall be paid to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees or, if none, to his legal representative.

(b) In the Case of a Member Who Retires on or after July 1, 1965, but prior to July 1, 1993. -- If he dies within 10 years from his retirement date, an amount equal to his accumulated contributions at retirement, less one one-hundred-twentieth thereof for each month for which he has received a retirement allowance payment, shall be paid to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees or, if none, to his legal representative; or

Option two. Upon his death his reduced retirement allowance shall be continued throughout the life of and paid to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees at the time of his retirement, provided that if the person selected is other than his spouse the reduced retirement allowance payable to the member shall not be less than one half of the retirement allowance without optional modification which would otherwise be payable to him; or

Option three. Upon his death, one half of his reduced retirement allowance shall be continued throughout the life of, and paid to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees at the time of his retirement; or

Option four. Adjustment of Retirement Allowance for Social Security Benefits. -- Until the first payment on account of any benefit becomes normally due, any member may elect to convert his benefit otherwise payable on his account after retirement into a retirement allowance of equivalent actuarial value of such amount that with his benefit under Table II of the Federal Social Security Act, he will receive, so far as possible, approximately the same amount per year before and after the earliest age at which he becomes eligible, upon application therefor, to receive a social security benefit.

Option five. For Members Retiring prior to July 1, 1993. -- The member may elect to receive a reduced retirement allowance under the conditions of Option two or Option three, as provided for above, with the modification that if both he and the person nominated die within 10 years from his retirement date, an amount equal to his accumulated contributions at retirement, less 1/120th thereof for each month for which a retirement allowance has been paid, shall be paid to his legal representatives or to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees.

Option six. A member may elect either Option two or Option three with the added provision that in the event the designated beneficiary predeceases the member, the retirement allowance payable to the member after the designated beneficiary's death shall be equal to the retirement allowance which would have been payable had the member not elected the option."

(c) G.S. 135-5(g) reads as rewritten:

"(g) Election of Optional Allowance. -- With the provision that until the first payment on account of any benefit becomes normally due, or his first retirement check has been cashed, any member may elect to receive his benefits in a retirement allowance payable throughout life, or he may elect to receive the actuarial equivalent of such retirement allowance in a reduced allowance payable throughout life under the provisions of one of

the options set forth below. The election of Option 2 or Option 3 or nomination of the person thereunder shall be revoked if such person nominated dies prior to the date the first payment becomes normally due or until the first retirement check has been cashed. Such election may be revoked by the member prior to the date the first payment becomes normally due or until his first retirement check has been cashed. Provided, however, in the event a member has elected Option 2 or Option 3 and nominated his or her spouse to receive a retirement allowance upon the member's death, and the spouse predeceases the member after the first payment becomes normally due or the first retirement check has been cashed, if the member remarries he or she may nominate a new spouse to receive the retirement allowance under the previously elected option, within 90 days of the remarriage. The new nomination shall be effective on the first day of the month in which it is made and shall provide for a retirement allowance computed to be the actuarial equivalent of the retirement allowance in effect immediately prior to the effective date of the new nomination. ~~Provided, however, any~~ Any member having elected Options 2, 3, or 6 and nominated his or her spouse to receive a retirement allowance upon the member's death may, after divorce from his or her spouse, revoke the nomination and elect a new option, effective on the first day of the month in which the new option is elected, providing for a retirement allowance computed to be the actuarial equivalent of the retirement allowance in effect immediately prior to the effective date of the new option.

Option 1. (a) In the Case of a Member Who Retires prior to July 1, 1963. -- If he dies before he has received in annuity payments the present value of his annuity as it was at the time of his retirement, the balance shall be paid to his legal representatives or to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees.

(b) In the Case of a Member Who Retires on or after July 1, 1963, but prior to July 1, 1993. -- If he dies within 10 years from his retirement date, an amount equal to his accumulated contributions at retirement, less 1/120 thereof for each month for which he has received a retirement allowance payment, shall be paid to his legal representatives or to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees; or

Option 2. Upon his death his reduced retirement allowance shall be continued throughout the life of and paid to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees at the time of his retirement, provided that if the person selected is other than his spouse the reduced retirement allowance payable to the member shall not be less than one half of the retirement allowance without optional modification which would otherwise be payable to him; or

Option 3. Upon his death, one half of his reduced retirement allowance shall be continued throughout the life of, and paid to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees at the time of his retirement; or

Option 4. Adjustment of Retirement Allowance for Social Security Benefits. -- Until the first payment on account of any benefit becomes normally due, any member may elect to convert his benefit otherwise payable on his account after retirement into a retirement allowance of equivalent actuarial value of such amount that with his benefit under Title II of the Federal Social Security Act, he will receive, so far as possible, approximately the same amount per year before and after the earliest age at which he becomes eligible, upon application therefor, to receive a social security benefit.

Option 5. For Members Retiring Prior to July 1, 1993. -- The member may elect to receive a reduced retirement allowance under the conditions of Option 2 or Option 3, as provided for above, with the modification that if both he and the person nominated die within 10 years from his retirement date, an amount equal to his accumulated contributions at retirement, less 1/120 thereof for each month for which a retirement allowance has been paid, shall be paid to his legal representatives or to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees.

Option 6. A member may elect either Option 2 or Option 3 with the added provision that in the event the designated beneficiary predeceases the member, the retirement allowance payable to the member after the designated beneficiary's death shall be equal to the retirement allowance which would have been payable had the member not elected the option."

(d) This section is effective when it becomes law, and its provisions shall apply to all persons who are retired from the Legislative Retirement System, the Local Governmental Employees' Retirement System, or the Teachers' and State Employees' Retirement System on that date or who retire from any of those retirement systems after that date. In the case of retired members who designated a spouse as survivor under one of the options specified in this act, whose designated spouses predeceased them, and who remarried prior to the effective date of this act, such members may nominate the new spouse to receive the survivor retirement benefits in accordance with this act, provided that such nomination is made within 90 days of the effective date of this section.

Requested by: Senators Jenkins, Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford, Barbee

INCREASE RETIREE DEATH BENEFIT

Section 28.27. (a) G.S. 135-5(l) reads as rewritten:

"(l) Death Benefit Plan. -- There is hereby created a Group Life Insurance Plan (hereinafter called the `Plan') which is established as an employee welfare benefit plan that is separate and apart from the Retirement System and under which the members of the Retirement System shall participate and be eligible for group life insurance benefits. Upon receipt of proof, satisfactory to the Board of Trustees in their capacity as trustees under the Group Life Insurance Plan, of the death, in service, of a member who had completed at least one full calendar year of membership in the Retirement System, there shall be paid to such person as he shall have nominated by written designation duly acknowledged and filed with the Board of Trustees, if such person is living at the time of the member's death, otherwise to the member's legal representatives, a death benefit. Such death benefit shall be equal to the greater of:

(1) The compensation on which contributions were made by the member during the calendar year preceding the year in which his death occurs, or

(2) The greatest compensation on which contributions were made by the member during a 12-month period of service within the 24-month period of service ending on the last day of the month preceding the month in which his last day of actual service occurs;

(3), (4) Repealed by Session Laws 1983 (Regular Session, 1984), c. 1049, s. 2.

subject to a minimum of twenty-five thousand dollars ($25,000) and to a maximum of fifty thousand dollars ($50,000). Such death benefit shall be payable apart and separate from the payment of the member's accumulated contributions under the System on his

death pursuant to the provisions of subsection (f) of this section. For the purpose of the Plan, a member shall be deemed to be in service at the date of his death if his death occurs within 180 days from the last day of his actual service.

The death benefit provided in this subsection (l) shall not be payable, notwithstanding the member's compliance with all the conditions set forth in the preceding paragraph, if his death occurs

(1) After December 31, 1968 and after he has attained age 70; or
(2) After December 31, 1969 and after he has attained age 69; or
(3) After December 31, 1970 and after he has attained age 68; or
(4) After December 31, 1971 and after he has attained age 67; or
(5) After December 31, 1972 and after he has attained age 66; or
(6) After December 31, 1973 and after he has attained age 65; or
(7) After December 31, 1978, but before January 1, 1987, and after he has attained age 70.

Notwithstanding the above provisions, the death benefit shall be payable on account of the death of any member who died or dies on or after January 1, 1974, but before January 1, 1979, after attaining age 65, if he or she had not yet attained age 65, if he or she had not yet attained age 66, was at the time of death completing the work year for those individuals under specific contract, or during the fiscal year for those individuals not under specific contract, in which he or she attained 65, and otherwise met all conditions for payment of the death benefit.

Notwithstanding the above provisions, the Board of Trustees may and is specifically authorized to provide the death benefit according to the terms and conditions otherwise appearing in this Plan in the form of group life insurance, either (i) by purchasing a contract or contracts of group life insurance with any life insurance company or companies licensed and authorized to transact business in this State for the purpose of insuring the lives of members in service, or (ii) by establishing a separate trust fund qualified under Section 501(c)(9) of the Internal Revenue Code of 1954, as amended, for such purpose. To that end the Board of Trustees is authorized, empowered and directed to investigate the desirability of utilizing group life insurance by either of the foregoing methods for the purpose of providing the death benefit. If a separate trust fund is established, it shall be operated in accordance with rules and regulations adopted by the Board of Trustees and all investment earnings on the trust fund shall be credited to such fund.

In administration of the death benefit the following shall apply:

(1) For the purpose of determining eligibility only, in this subsection `calendar year' shall mean any period of 12 consecutive months or, if less, the period covered by an annual contract of employment. For all other purposes in this subsection "calendar year" shall mean the 12 months beginning January 1 and ending December 31.
(2) Last day of actual service shall be:
    a. When employment has been terminated, the last day the member actually worked.
    b. When employment has not been terminated, the date on which an absent member's sick and annual leave expire, unless he is on approved leave of absence and is in service under the provisions of G.S. 135-4(h).
(3) For a period when a member is on leave of absence, his status with respect to the death benefit will be determined by the provisions of G.S. 135-4(h).

(4) A member on leave of absence from his position as a teacher or State employee for the purpose of serving as a member or officer of the General Assembly shall be deemed to be in service during sessions of the General Assembly and thereby covered by the provisions of the death benefit. The amount of the death benefit for such member shall be the equivalent of the salary to which the member would have been entitled as a teacher or State employee during the 12-month period immediately prior to the month in which death occurred, not to be less than twenty-five thousand dollars ($25,000) nor to exceed fifty thousand dollars ($50,000).

The provisions of the Retirement System pertaining to Administration, G.S. 135-6, and management of funds, G.S. 135-7, are hereby made applicable to the Plan.

A member who is a beneficiary of the Disability Income Plan provided for in Article 6 of this Chapter shall be eligible for group life insurance benefits as provided in this subsection, notwithstanding that the member is no longer an employee or teacher or that the member's death occurs after the eligibility period after active service. The basis of the death benefit payable hereunder shall be the higher of the death benefit computed as above or a death benefit based on compensation used in computing the benefit payable under G.S. 135-105 and G.S. 135-106, as may be adjusted for percentage post-disability increases, all subject to the maximum dollar limitation as provided above. A member in receipt of benefits from the Disability Income Plan under the provisions of G.S. 135-112 whose right to a benefit accrued under the former Disability Salary Continuation Plan shall not be covered under the provisions of this paragraph.

Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after July 1, 1988, but before January 1, 1999, there shall be paid a death benefit to the surviving spouse of the deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of five thousand dollars ($5,000) upon the completion of twenty-four months of contributions required under this subsection. Should death occur before the completion of twenty-four months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after January 1, 1999, there shall be paid a death benefit to the surviving spouse of the deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a

lump-sum payment in the amount of six thousand dollars ($6,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees."

(b) G.S. 135-64(g) reads as rewritten:

"(g) Upon the death of a retired member on or after July 1, 1988, but before January 1, 1999, there shall be paid a death benefit to the surviving spouse of a deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of five thousand dollars ($5,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees."

(c) G.S. 135-64 is amended by adding a new subsection to read:

"(h) Upon the death of a retired member on or after January 1, 1999, there shall be paid a death benefit to the surviving spouse of a deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of six thousand dollars ($6,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees."

(d) G.S. 120-4.27 reads as rewritten:

"§ 120-4.27. Death benefit.

The designated beneficiary of a member who dies while in service after completing one year of creditable service shall receive a lump-sum payment of an amount equal to the deceased member's highest annual salary, to a maximum of fifteen thousand dollars ($15,000). For purposes of this death benefit 'in service' means currently serving as a member of the North Carolina General Assembly.

The death benefit provided by this section shall be designated a group life insurance benefit payable under an employee welfare benefit plan that is separate and apart from the Retirement System but under which the members of the Retirement System shall participate and be eligible for group life insurance benefits. The Board of Trustees is authorized to provide the death benefit in the form of group life insurance either by

purchasing a contract or contracts of group life insurance with any life insurance company or companies licensed and authorized to transact business in the State of North Carolina for the purpose of insuring the lives of qualified members in service, or by establishing or affiliating with a separate trust fund qualified under Section 501(c)(9) of the Internal Revenue Code of 1954, as amended.

Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a retired member of the Retirement System or Retirement Fund on or after July 1, 1988, but before January 1, 1999, there shall be paid a death benefit to the surviving spouse of a deceased retired member, or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Retirement System on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Retirement System, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of five thousand dollars ($5,000) upon the completion of twenty-four months of contributions required under this subsection. Should death occur before the completion of twenty-four months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a retired member of the Retirement System or Retirement Fund on or after January 1, 1999, there shall be paid a death benefit to the surviving spouse of a deceased retired member, or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Retirement System on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Retirement System, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of six thousand dollars ($6,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees."

(e) G.S. 128-27(l2) reads as rewritten:

"(l2) Death Benefit for Retired Members. -- Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after July 1, 1988, but before January 1, 1999, there shall be paid a death benefit to the surviving spouse of the deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of five thousand dollars ($5,000) upon the completion of 24 months of

contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees."

(f) G.S. 128-27 is amended by adding a new subsection to read:

"(l3) Death Benefit for Retired Members. -- Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after January 1, 1999, there shall be paid a death benefit to the surviving spouse of the deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of six thousand dollars ($6,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees."

(g) This section becomes effective January 1, 1999.

Requested by: Senators Plyler, Perdue, Odom, Gulley, Representatives Holmes, Esposito, Creech, Crawford

RIF ABUSES PROHIBITED

Section 28.28. (a) G.S. 143-27.2 reads as rewritten:

"§ 143-27.2. Discontinued service retirement allowance and severance wages for certain State employees.

(a) When the Director of the Budget determines that the closing of a State institution or a reduction in force will accomplish economies in the State Budget, he shall pay either a discontinued service retirement allowance or severance wages to any affected State employee, provided reemployment is not available. As used in this section, "economies in the State Budget" means economies resulting from elimination of a job and its responsibilities or from a lack of funds to support the job. In determining whether to pay a discontinued service retirement allowance or severance wages, the Director of the Budget shall consider the recommendation of the department head involved and any recommendation of the State Personnel Director. Severance wages shall not be paid to an employee who chooses a discontinued service retirement. Severance wages shall not be subject to employer or employee retirement contributions. Severance wages shall be paid according to the policies adopted by the State Personnel Commission.

Notwithstanding any other provisions of the State's retirement laws, any employee of the State who is a member of the Teachers' and State Employees' Retirement System or the Law-Enforcement Officers' Retirement System and who has his job involuntarily terminated as a result of economies in the State Budget may be entitled to a discontinued service retirement allowance, subject to the approval of the employing agency and the availability of agency funds. An unreduced discontinued service retirement allowance, not otherwise allowed, may be approved for employees with 20 or more years of

creditable retirement service who are at least 55 years of age; or a discontinued service retirement allowance, not otherwise allowed, may be approved for employees with 20 or more years of creditable retirement service who are at least 50 years of age, reduced by one-fourth of one percent (1/4 of 1%) for each month that retirement precedes his fifty-fifth birthday. In cases where a discontinued service retirement allowance is approved, the employing agency shall make a lump sum payment to the Administrator of the State Retirement Systems equal to the actuarial present value of the additional liabilities imposed upon the System, to be determined by the System's consulting actuary, as a result of the discontinued service retirement, plus an administrative fee to be determined by the Administrator.

The salary used to determine severance wages under this section is the last annual salary except that if the employee was promoted within the previous 12 months, the last annual salary is that annual salary prior to the promotion. If the annual salary prior to the promotion is used, it shall be adjusted to account for any across-the-board legislative salary increases. Excluded from any calculation are any benefits such as, but not limited to, overtime pay, shift pay, holiday premium, or longevity pay.

(b) Any employee separated from State government and paid severance wages under this section shall not be employed under a contractual arrangement by any State agency, other than the constituent institutions of The University of North Carolina and the constituent institutions of the North Carolina Community College System, until 12 months have elapsed since the separation. This subsection does not affect any reduction in force rights that the employee may have."

(b) This section is effective when it becomes law.

Requested by: Senator Odom, Representatives Russell, Daughtry

CLINICAL TRIALS COVERAGE

Section 28.29. (a) G.S. 135-40.1 is amended by adding a new subdivision to read:

"(1b) Clinical Trials. -- Patient research studies designed to evaluate new treatments, including prescription drugs. Regardless of the type of trial phases covered by the Plan, all covered trials must involve the treatment of life-threatening medical conditions, must be clearly superior to available noninvestigational treatment alternatives, and must have clinical and preclinical data that shows the trials will be at least as effective as noninvestigational alternatives. Trials must also involve determinations by treating physicians, relevant scientific data, and opinions of experts in relevant fields of medicine. Covered trials must be approved by the National Institutes of Health, a National Institutes of Health cooperative group or center, the U. S. Food and Drug Administration, the U.S. Department of Defense, or the U.S. Department of Veterans Affairs. The Plan may also cover clinical trials sponsored by other entities. Trials must also be approved by applicable qualified institutional review boards. All covered trials must be conducted in and by facilities and personnel that maintain a high level of expertise because of their training, experience, and volume of patients. To be covered by the Plan, patients participating in clinical trials must meet substantially all protocol requirements of the trials and exercise informed consent in the trials. Only medically necessary costs of health care services involved in treatments provided to patients for the purpose of the trials are covered by the Plan to the extent that such

costs are not customarily funded by national agencies, commercial manufacturers, distributors, or other such providers. Clinical trial costs not covered by the Plan include, but are not limited to, the costs of services that are not health care services and costs associated with managing research in the trials. The Plan shall not exclude benefits for covered clinical trials if the proposed treatment is the only appropriate protocol for the condition being treated."

(b) G.S. 135-40.1(7a)d. reads as rewritten:

"d. Is provided as part of a research or phase I clinical ~~trial;~~ or phase II clinical trial not approved by the Plan;"

(c) G.S. 135-40.7(19) reads as rewritten:

"(19) Any service, treatment, facility, equipment, drug, supply, or procedure that is experimental or investigational as defined in G.S. ~~1350-40.1(7.1)~~ 135-40.1(7a). Clinical trial phases III and IV are covered by the Plan as is clinical trial phase II when approved by the Plan."

(d) G.S. 135-40.6A(a) is amended by adding a new subdivision to read:

"(9) Phase II clinical trials in accordance with G.S. 135-40.1(1b). Decisions pursuant to this section must be rendered by the Plan within 30 days after receipt of all medical documentation requested by the Plan."

(e) The Teachers' and State Employees' Comprehensive Major Medical Plan shall notify all employees of the Plan's coverage for clinical trials as soon as possible.

(f) This section becomes effective January 1, 1999.

PART XXIX. GENERAL CAPITAL APPROPRIATIONS/PROVISIONS

CAPITAL APPROPRIATIONS/GENERAL FUND

Section 29. Appropriations are made from the General Fund of the State for the 1998-99 fiscal year for use by the State departments, institutions, and agencies to provide for capital improvement projects according to the following schedule:

Capital Improvements - General Fund

	1998-99
ADMINISTRATION	
Reserve for Land Acquisitions-Government Complex	$500,000
AGRICULTURE AND CONSUMER SERVICES	
Conservation Education Center on State Fairgrounds: Design	$500,000
Multi-purpose Building on State Fairgrounds: Site Development	$3,000,000
Cattle and Livestock Exposition Center Construction in Iredell County	$6,000,000
Development of Eastern Agricultural Center (Parking Paving, Covered Walkways)	$ 1,775,000

Center for Environmental Farming at Cherry Farm in Goldsboro/Planning & Development $600,000

Southeastern Farmers Market & Agricultural Center Continued Development $500,000

Umstead Farm Unit

Authorizes the Department to use timber receipts for fiscal year 1998-99 for the construction of nutrition and animal care facilities at the Umstead Farm Unit in Butner

Total Requirements	$533,000
Less Receipts	($533,000)
Appropriation	0

COMMUNITY COLLEGES

Center Applied Textile Technology-Lab and Administration Building $2,000,000

Yadkin County Satellite - Surry Community College $1,500,000

Franklin County Satellite - Vance/Granville Community College $1,000,000

Blue Ridge Community College $2,000,000

Fayetteville Tech Community College-Model Early Childhood Education Center $3,000,000

CORRECTION

Central Prison-Acute Care Hospital-90 beds-Design $2,500,000

CULTURAL RESOURCES

Museum of Art Design Funds for expansion and renovation $2,400,000

Museum of the Albemarle: Site Development and Construction $7,000,000

HEALTH AND HUMAN SERVICES

Eastern N.C. School for the Deaf/Construct Independent Living Complex $1,040,000

Cherry Hospital/Children & Youth Facility	$5,000,000
Construct New Whitaker School-Planning	$250,000
Eastern Voc. Rehab. Facility in Goldsboro for Purchase of Building	$300,000
Dix Hospital Psychiatric Hospital Planning	$2,000,000

ENVIRONMENT AND NATURAL RESOURCES

Water Resources Development Projects	
North Channel Maintenance Dredging & Disposal Site	$1,200,000
State-Local Projects	$600,000
Aquatic Plant Control Statewide & Lake Gaston	$150,000
Construction of County Forestry Headquarters, Moore & Sampson Counties	$700,000
Roanoke Island Aquarium: Construction Cost Supplement	$2,000,000
Central Piedmont Aquarium: Planning	$500,000
Land Acquisition: Jocassee Lake-Transylvania County	$5,000,000
Detoxification of PCB Landfill in Warren County	$2,000,000
Museum of Natural Science - Exhibits	$1,000,000

COMMERCE

Wanchese Seafood Industrial Park: Construction of new meeting and office space and renovation of existing meeting and office facilities	$250,000

STATE PORTS

Reserve for Continued Development of Morehead and Wilmington ports	$5,750,000

UNIVERSITY OF NORTH CAROLINA-BOARD OF GOVERNORS

Technology Infrastructure-Multiphase Systemwide Upgrade Project	$10,875,000
Appalachian State University: Addition/Renovation of Rankin Science Building	$6,276,500
East Carolina University Science Lab & Technology Building-	

Site Development	$3,200,000
Multipurpose Center-Matching Funds	$2,000,000
Elizabeth City State University	
Fine Arts Building-Complete Construction	$948,600
Fayetteville State University	
Fine Arts Building-Site Development	$1,000,000
North Carolina A & T State University	
Campus Security Improvements	$1,450,000
Gen. Classroom/Lab Building/Complex #1	$3,000,000
North Carolina Central University	
Health and Safety Repairs and Renovations	$2,000,000
North Carolina School of the Arts	
Basic Education Complex Planning	$800,000
Filmmaking Office/Classroom Post Production Complex	$300,000
North Carolina State University	
Toxicology Building-Construction	$13,806,100
Advanced Planning-Engineering Instructional Facility	$5,000,000
Upfit and Equip CMAST Building	$2,400,000
Undergraduate Teaching Laboratories Planning	$4,500,000
College of Veterinary Medicine Planning for Addition	$2,000,000
Polk House Funds to Relocate	$200,000
UNC-Asheville	
Justice Center Gymnasium Partial Renovation	$500,000
Highsmith Center Renovation & Addition	$1,000,000
UNC-Chapel Hill	
R.B. House Library Renovation	$9,332,700
Paul Green Theater Completion	$1,000,000
Medical Biomolecular Research Complex Matching Funds to Begin Construction	$6,000,000
Memorial Hall-Planning for Additional Renovations	$1,000,000
UNC-Charlotte	
Academic Facilities-Humanities-Site Development/ Construction	$12,000,000
UNC-Greensboro	
Science Instructional Bldg.- Site Development	$3,850,000
UNC-Pembroke	
Regional Center for Econ., Prof. and Comm. Dev.	$700,000

UNC-Wilmington	
School of Education Building-Planning	$1,775,000
Western Carolina University	
Fine Arts Center - Site Development	$2,500,000
Winston-Salem State University	
Computer Science Facility - Planning	$700,000
UNC-General Administration	
Reserve for Land Acquisition-all campuses	$4,750,000
Institute of Government Knapp Building Addition and Renovation	$6,570,600
UNC-Public Television	
Advanced Planning, conversion to Digital TV	$1,100,000
GRAND TOTAL- CAPITAL IMPROVEMENTS	$174,549,500

Requested by: Senators Odom, Plyler, Perdue, Representatives Russell, G. Wilson

EXPENDITURE OF FUNDS FROM RESERVE FOR REPAIRS AND RENOVATIONS

Section 29.1. Of the funds in the Reserve for Repairs and Renovations for the 1998-99 fiscal year, forty-six percent (46%) shall be allocated to the Board of Governors of The University of North Carolina for repairs and renovations pursuant to G.S. 143-15.3A, in accordance with guidelines developed in The University of North Carolina Funding Allocation Model for Reserve for Repairs and Renovations, as approved by the Board of Governors of The University of North Carolina, and fifty-four percent (54%) shall be allocated to the Office of State Budget and Management for repairs and renovations pursuant to G.S. 143-15.3A.

Notwithstanding G.S. 143-15.3A, the Board of Governors may allocate funds for the repair and renovation of facilities not supported from the General Fund if the Board determines that sufficient funds are not available from other sources and that conditions warrant General Fund assistance. Any such finding shall be included in the Board's submission to the Joint Legislative Commission on Governmental Operations on the proposed allocation of funds.

The Board of Governors and the Office of State Budget and Management shall submit to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office, for their review, the proposed allocations of these funds. Subsequent changes in the proposed allocations shall be reported prior to expenditure to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the Legislative Services Office.

Requested by: Senators Lee, Winner, Representatives Russell, G. Wilson

UNC REPAIRS AND RENOVATIONS

Section 29.2. The Board of Governors of The University of North Carolina may allocate up to ten million dollars ($10,000,000) of its funding from the Reserve for Repairs and Renovations for improvements to the technology infrastructure on the campuses of the constituent institutions. Such improvements to the technology infrastructure shall include repairs to existing systems, improvements to improve the use

and suitability of existing space for technology, and other improvements to utilities infrastructure that will allow the increased use of advanced technology for educational and research purposes.

These funds shall be used in accordance with G.S. 143-15.3A.

Requested by: Senators Plyler, Perdue, Odom, Representatives Russell, G. Wilson

HISTORIC SITES REPAIRS AND RENOVATIONS FUNDS

Section 29.3. (a) Funds allocated in this act to the Office of State Budget and Management for the Repairs and Renovations Fund may be used to make needed repairs and renovations at the State Historic Sites.

(b) There is established the Historic Sites Repairs and Renovations Review Committee. The Committee shall consist of the following members: the three cochairs of the Senate Appropriations and Base Budget Committee and the four cochairs of the House of Representatives Appropriations Committee. The Office of State Budget and Management shall submit its proposal for the use of funds from the Repairs and Renovations Fund for Historic Sites to the Committee before submitting the proposal to the Joint Legislative Commission on Governmental Operations in accordance with this act.

Requested by: Senators Warren, Plyler, Odom, Perdue, Representatives Russell, G. Wilson

STATE CAPITOL AND VISITOR'S CENTER SITE

Section 29.4. The new State Capitol and Visitor Center being planned for construction shall be located at the site bounded by Blount Street, Wilmington Street, Edenton Street, and Jones Street in Raleigh, unless that construction site is unacceptable for structural reasons.

Requested by: Senator Martin of Pitt, Representatives Russell, G. Wilson

TIMBER RECEIPTS FOR CAPITAL CONSTRUCTION

Section 29.5. The sum of five hundred thirty-three thousand dollars ($533,000) shall be transferred from the Department of Agriculture and Consumer Services' timber sales capital improvement account, established pursuant to G.S. 146-30, to the Department of Agriculture and Consumer Services for the 1998-99 fiscal year for construction of nutrition and animal care facilities at the Umstead Farm Unit in Butner.

Requested by: Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell, Representatives Gardner, Cansler, Clary, Howard

FUNDS FOR DOROTHEA DIX HOSPITAL DESIGN

Section 29.5B. Of the funds appropriated in this act to the Department of Health and Human Services, the sum of two million dollars ($2,000,000) for the 1998-99 fiscal year shall be allocated for planning and general design of a new Dorothea Dix Hospital and to study the costs of construction and operation of new facilities as compared to redesign and long-term operation of other existing State psychiatric hospitals. The general design and planning and the study shall be done in coordination with the Study of the State Psychiatric Hospitals/Area Mental Health Programs. Actual design of a new Dorothea Dix Hospital with respect to the number and type of beds is subject to completion of the Study of the State Psychiatric Hospitals/Area Mental Health Programs. The Department shall make an interim progress report on the status of the general design and the study to the members of the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources not later than May 1, 1999.

Requested by: Senators Martin of Guilford, Cooper, Dannelly, Phillips, Purcell, Representatives Gardner, Cansler, Clary, Howard

WHITAKER SCHOOL PLANNING FUNDS

Section 29.5C. (a) Of the funds appropriated in this act to the Department of Health and Human Services, the sum of two hundred fifty thousand dollars ($250,000) for the 1998-99 fiscal year shall be used to plan and design a replacement facility for the Whitaker School reeducation facility for behaviorally and emotionally disturbed youth. These funds shall be used to plan and design a facility with a bed capacity of up to 33 beds.

(b) The Department of Health and Human Services shall provide the results of the planning and design including estimated costs to build and operate the facility to the House Appropriations Subcommittee on Human Resources and the Senate Appropriations Committee on Human Resources on or before May 1, 1999.

Requested by: Senator Jenkins, Representatives Russell, G. Wilson

SOUTH BROAD PARK LAKE AND WATER CONSERVATION FUND CONVERSION

Section 29.6. Lands purchased by the State to establish a new State park in Transylvania County shall be used as replacement property to fulfill the requirements of the federal Land and Water Conservation Fund for the conversion of land within South Broad Park in Brevard to a use other than outdoor recreation. Except for the tract currently used for an arboretum, Transylvania County may use for library purposes lands in South Broad Park converted under this section.

Requested by: Senator Martin of Pitt, Representatives Mitchell, Baker, Carpenter

WATER RESOURCES DEVELOPMENT PROJECTS FUNDS

Section 29.8. Section 5(a) of S.L. 1998-166 reads as rewritten:

"(a) The Department of Environment and Natural Resources shall allocate the funds appropriated in this act for water resources development projects to the following projects whose estimated costs are as indicated:

Name of Project	
1. Morehead City Harbor Turning Basin	$ 2,000,000
2. Wilmington Harbor Maintenance Dredging	200,000
3. Wilmington Harbor Long-Term Disposal	1,400,000
4. Beaufort Harbor Maintenance Dredging	80,000
5. Manteo Shallowbag Bay Maintenance Dredging	200,000
6. Rollinson Channel Maintenance Dredging (Dare County)	400,000
8. Pine Knolls Shores Protection (Carteret Co.)	200,000
9. Tar River Road Streambank Protection (City of Greenville)	50,000

10. Battery Island Bird Habitat Restoration (Brunswick County)		140,000
11. Dare County Beaches Feasibility Study		70,000
12. Deep Creek Watershed Project (Yadkin Co.)		500,000
13. North Channel Maintenance Dredging and Disposal Site		1,200,000
14. Aquatic Plant Control Statewide and Lake Gaston		150,000
15. B. Everett Jordan Lake Water Supply		110,000
16. State-Local Projects		
a. Frisco Ditch Snagging (Dare County)	3,500	
b. Moccasin Creek Restoration (Johnston County)		78,800
c. Avery Pond Jetties and Dredging (Town of Kitty Hawk)		140,800
d. High Rock Lake Dredging Feasibility Study		20,000
e. Northwest Creek Dredging		100,000
f. Other Stream Restoration Projects		256,900
Subtotal		600,000
Total	~~$ 5,240,000~~	$7,300,000."

Requested by: Senator Ballance

WARREN COUNTY PCB LANDFILL DETOXIFICATION FUNDS

Section 29.9. (a) The Director of the Budget shall place funds appropriated in this act to the Department of Environment and Natural Resources for the 1998-99 fiscal year for the detoxification of the Warren County polychlorinated biphenyl (PCB) landfill and any available federal funds into a nonreverting reserve to be used by the Department for the detoxification of a landfill located in Warren County that contains polychlorinated biphenyl (PCBs) and dioxin/furan contaminated materials. The detoxification treatment standards for residual concentrations of contaminants remaining in the soil shall be 200 parts per billion for PCBs and 200 parts per trillion toxicity equivalent concentration (TEQ) for dioxins/furans. Based catalyzed decomposition (BCD) technology shall be used to detoxify the landfill in accordance with a plan approved by the Department. The Department shall oversee the detoxification of this landfill.

(b) Any funds remaining in the reserve established under subsection (a) of this section at the conclusion of the detoxification of the landfill shall remain in a nonreverting reserve and shall be transferred to the Department of Commerce to be used for economic development in Warren County or Warren County's infrastructure needs, or both.

Requested by: Senator Perdue, Representatives Holmes, Esposito, Creech, Crawford

GLOBAL TRANSPARK FUNDS

Section 29.10. Notwithstanding any other provision of law, the Director of the Budget may identify resources of up to seven million three hundred twenty-five thousand dollars ($7,325,000) from the General Fund for the 1998-99 fiscal year to match federal funds available to the Global TransPark for development and to comply with State and federal wetlands mitigation rules.

Requested by: Senators Plyler, Perdue, Odom, Representatives Russell, G. Wilson

CAPITAL IMPROVEMENT PROJECTS/SUPPLEMENTAL FUNDING APPROVAL/REPORTING REQUIREMENT

Section 29.11. Each department receiving capital improvement appropriations from the Highway Fund under this act shall report quarterly to the Director of the Budget on the status of those capital projects. The reporting procedure to be followed shall be developed by the Director of the Budget.

Capital improvement projects authorized in this act that have not been placed under contract for construction due to insufficient funds may be supplemented with funds identified by the Director of the Budget, provided:

(1) That the project was designed and bid within the scope as authorized by the General Assembly;

(2) That the funds to supplement the project are the same source as authorized for the original project;

(3) That the department to which the project was authorized has unsuccessfully pursued all statutory authorizations to award the contract; and

(4) That the action be reported to the Fiscal Research Division of the Legislative Services Office.

Requested by: Senator Jordan, Representatives Russell, G. Wilson

RELOCATE GLOBAL TRANSPARK AUTHORITY

Section 29.12. From funds available to the North Carolina Global TransPark Authority, the Authority shall relocate its administrative offices from Raleigh to the site of the TransPark in Kinston. No State funds shall be spent to lease office space in Raleigh after June 30, 1999. At the request of the Authority, the State Property Office shall assist the Authority in locating State uses for that space, if practical and economical.

The Authority may maintain a contact person housed in the offices of the Department of Transportation in Raleigh. The Authority may also maintain personnel housed in the offices of the Department of Commerce in Raleigh to coordinate the activities of the Authority and the Department, to act as a liaison between the Authority and the Department, and to assist the Department in the implementing Section 15.2 of this act.

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford, Russell, G. Wilson

UNC AGRICULTURAL RESEARCH FACILITIES

Section 29.14. Of the funds appropriated in this act to the Board of Governors of The University of North Carolina for land acquisition, up to one million five hundred thousand dollars ($1,500,000) may be allocated for development of replacement facilities from the north Reedy Creek farm site in Wake County and associated expenses of moving agricultural research facilities to a newly acquired site in Wake County.

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford

AQUARIUM CONSTRUCTION FUNDS

Section 29.17. At such time as sufficient lapsed salary funds have accrued to the General Fund for the 1998-99 fiscal year, the Director of the Budget shall certify that the sum of thirty million dollars ($30,000,000) is available to implement this section. The Director of the Budget shall then allocate these funds to the Department of Environment and Natural Resources for the renovation and construction of the State aquariums at Pine Knoll Shores and Fort Fisher.

PART XXIXA. TAX RELIEF

Requested by: Senators Hoyle, Kerr, Representatives Gray, Brawley, Dickson, C. Wilson

REPEAL STATE SALES TAX ON FOOD

Section 29A.1. (a) G.S. 105-164.4(a)(5) is repealed.

(b) Article 5 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"**§ 105-164.13B. Food exempt from tax.**

The taxes imposed by this Article do not apply to food that is not otherwise exempt pursuant to G.S. 105-164.13 but would be exempt pursuant to G.S. 105-164.13 if it were purchased under the Food Stamp Program, 7 U.S.C. § 51."

(c) In order to pay for the additional administrative costs of implementing this section, including printing, postage, and similar costs, the Secretary of Revenue may draw up to one hundred seventy-four thousand dollars ($174,000) from collections under Article 5 of Chapter 105 of the General Statutes for the 1998-99 fiscal year.

(d) This section becomes effective May 1, 1999, and applies to sales made on or after that date.

Requested by: Senators Hoyle, Kerr, Representatives Gray, Brawley, Dickson, C. Wilson

ELIMINATE NORTH CAROLINA INHERITANCE TAX

Section 29A.2. (a) Article 1 of Chapter 105 of the General Statutes is repealed.

(b) Chapter 105 of the General Statutes is amended by adding a new Article to read:

"ARTICLE 1A.
"Estate Taxes.

"**§ 105-32.1. Definitions.**

The following definitions apply in this Article:

(1) Code. -- Defined in G.S. 105-228.90.

(2) Personal representative. -- The person appointed by the clerk of superior court under Chapter 28A of the General Statutes to administer the estate of a decedent or, if no one is appointed under that Chapter, the person required to file a federal estate tax return for the estate of the decedent.

(3) Secretary. -- Defined in G.S. 105-228.90.

"**§ 105-32.2. Estate tax imposed in amount equal to federal state death tax credit.**

(a) Tax. -- An estate tax is imposed on the estate of a decedent when a federal estate tax is imposed on the estate under section 2001 of the Code and any of the following apply:

(1) The decedent was a resident of this State at death.

(2) The decedent was not a resident of this State at death and owned any of the following:

a. Real property or tangible personal property that is located in this State.

b. Intangible personal property that has a tax situs in this State.

(b) Amount. -- The amount of the estate tax imposed by this section is the maximum credit for state death taxes allowed under section 2011 of the Code. If any property in the estate is located in a state other than North Carolina, the amount of tax payable is the North Carolina percentage of the credit.

If the decedent was a resident of this State at death, the North Carolina percentage is the net value of the estate that does not have a tax situs in another state, divided by the net value of all property in the estate. If the decedent was not a resident of this State at death, the North Carolina percentage is the net value of real property that is located in North Carolina plus the net value of any personal property that has a tax situs in North Carolina, divided by the net value of all property in the estate, unless the decedent's state of residence uses a different formula to determine that state's percentage. In that circumstance, the North Carolina percentage is the amount determined by the formula used by the decedent's state of residence.

The net value of property that is located in or has a tax situs in this State is its gross value reduced by any debt secured by that property. The net value of all the property in the estate is its gross value reduced by any debts and deductions of the estate.

"§ 105-32.3. Liability for estate tax.

(a) Primary. -- The tax imposed by this Article is payable from the assets of the estate. A person who receives property from an estate is liable for the amount of estate tax attributable to that property.

(b) Personal Representative. -- The personal representative of an estate is liable for an estate tax that is not paid within two years after it was due. This liability is limited to the value of the assets of the estate that were under the control of the personal representative. The amount for which the personal representative is liable may be recovered from the personal representative or from the surety on any bond filed by the personal representative under Article 8 of Chapter 28A of the General Statutes.

(c) Clerk of Court. -- A clerk of court who allows a personal representative to make a final settlement of an estate without presenting one of the following is liable on the clerk's bond for any estate tax due:

(1) An affirmation by the personal representative certifying that no tax is due on the estate because this Article does not require an estate tax return to be filed for that estate.

(2) A certificate issued by the Secretary stating that the tax liability of the estate has been satisfied.

"§ 105-32.4. Payment of estate tax.

(a) Due Date. -- The estate tax imposed by this Article is due when an estate tax return is due. An estate tax return is due on the date a federal estate tax return is due.

(b) Filing Return. -- An estate tax return must be filed under this Article if a federal estate tax return is required. The return must be filed by the personal representative of the estate on a form provided by the Secretary.

(c) Extension. -- An extension of time to file a federal estate tax return is an automatic extension of the time to file an estate tax return under this Article. The Secretary may, in accordance with G.S. 105-263, extend the time for paying the estate tax imposed by this Article or for filing an estate tax return.

(d) Obtaining Amount Due. -- The personal representative of an estate may sell assets in the estate to obtain money to pay the tax imposed by this Article.

(e) Administration. -- Article 9 of this Chapter applies to this Article.

"§ 105-32.5. Making installment payments of tax due when federal estate tax is payable in installments.

A personal representative who elects under section 6166 of the Code to make installment payments of federal estate tax may elect to make installment payments of the tax imposed by this Article. An election under this section extends the time for payment of the tax due in accordance with the extension elected under section 6166 of the Code. Payments of tax are due under this section at the same time and in the same proportion to the total amount of tax due as payments of federal estate tax under section 6166 of the Code. Acceleration of payments under section 6166 of the Code accelerates the payments due under this section.

"§ 105-32.6. Estate tax is a lien on real property in the estate.

The tax imposed by this Article on an estate is a lien on the real property in the estate and on the proceeds of the sale of the real property in the estate. The lien is extinguished when one of the following occurs:

(1) The personal representative certifies to the clerk of court that no tax is due on the estate because this Article does not require an estate tax return to be filed for that estate.

(2) The Secretary issues a certificate stating that the tax liability of the estate has been satisfied.

(3) For specific real property, when the Secretary issues a tax waiver for that property.

(4) Ten years have elapsed since the date of the decedent's death.

"§ 105-32.7. Generation-skipping transfer tax.

(a) Tax. -- A tax is imposed on a generation-skipping transfer that is subject to the tax imposed by Chapter 13 of Subtitle B of the Code when any of the following apply:

(1) The original transferor is a resident of this State at the date of the original transfer.

(2) The original transferor is not a resident of this State at the date of the original transfer and the transfer includes any of the following:

a. Real or tangible personal property that is located in this State.

b. Intangible personal property that has a tax situs in this State.

(b) Amount. -- The amount of the tax imposed by this section is the maximum credit for state generation-skipping transfer taxes allowed under section 2604 of the Code. If property in the transfer is located in a state other than North Carolina, the amount of tax payable is the North Carolina percentage of the credit.

If the original transferor was a resident of this State at the date of the original transfer, the North Carolina percentage is the net value of the property transferred that does not have a tax situs in another state, divided by the net value of all property transferred. If the original transferor was not a resident of this State at the date of the original transfer, the North Carolina percentage is the net value of real property that is located in North Carolina plus the net value of any personal property that has a tax situs in North Carolina, divided by the net value of all property transferred, unless the original transferor's state of residence uses a different formula to determine that state's percentage. In that circumstance, the North Carolina percentage is the amount determined by the formula used by the original transferor's state of residence.

The net value of property that is located in or has a tax situs in this State is its gross value reduced by any debt secured by that property. The net value of all the property in a transfer is its gross value reduced by any debts secured by the property.

(c) Payment. -- The tax imposed by this section is due when a return is due. A return is due the same date as the federal return for payment of the federal generation-skipping transfer tax. The tax is payable by the person who is liable for the federal generation-skipping transfer tax.

"§ 105-32.8. Federal determination that changes the amount of tax payable to the State.

If the federal government corrects or otherwise determines the amount of the maximum state death tax credit allowed an estate under section 6166 of the Code, the personal representative must, within two years after being notified of the correction or final determination by the federal government, file an estate tax return with the Secretary reflecting the correct amount of tax payable under this Article. If the federal government corrects or otherwise determines the amount of the maximum state generation-skipping transfer tax credit allowed under section 2604 of the Code, the person who made the transfer must, within two years after being notified of the correction or final determination by the federal government, file a tax return with the Secretary reflecting the correct amount of tax payable under this Article.

The Secretary must assess and collect any additional tax due as provided in Article 9 of this Chapter and must refund any overpayment of tax as provided in Article 9 of this Chapter. A person who fails to report a federal correction or determination in accordance with this section is subject to the penalties in G.S. 105-236 and forfeits the right to any refund due by reason of the determination."

(c) G.S. 105-134.6(d)(1) reads as rewritten:

"(1) The amount of inheritance or estate tax attributable to an item of income in respect of a decedent required to be included in gross income under the Code, adjusted as provided in G.S. 105-134.5, 105-134.6, and 105-134.7, may be deducted in the year the item of income is included. The amount of inheritance or estate tax attributable to an item of income in respect of a decedent is (i) the amount by which the inheritance or estate tax paid under Article 1 or 1A of this Chapter on property transferred to a beneficiary by a decedent exceeds the amount of ~~inheritance~~ the tax that would have been payable by the beneficiary if the item of income in respect of a decedent had not been included in the property transferred to the beneficiary by the decedent, (ii) multiplied by a fraction, the numerator of which is the amount required to be included in gross income for the taxable year under the Code, adjusted as provided in G.S. 105-134.5, 105-134.6, and 105-134.7, and the denominator of which is the total amount of income in respect of a decedent transferred to the beneficiary by the decedent. For an estate or trust, the deduction allowed by this subdivision shall be computed by excluding from the gross income of the estate or trust the portion, if any, of the items of income in respect of a decedent that are properly paid, credited, or to be distributed to the beneficiaries during the taxable year.

The Secretary may provide to a beneficiary of an item of income in respect of a decedent any information contained on an inheritance or estate tax return that the beneficiary needs to compute the deduction allowed by this subdivision."

(d) This section becomes effective January 1, 1999, and applies to the estates of decedents dying on or after that date.

Requested by: Senators Hoyle, Kerr, Representatives Gray, Brawley, Dickson, C. Wilson

SAVINGS CLAUSE

Section 29A.3. This Part does not affect the rights or liabilities of the State, a taxpayer, or another person arising under a statute amended or repealed by this act before the effective date of its amendment or repeal; nor does it affect the right to any refund or credit of a tax that was available under the amended or repealed statute before the effective date of its amendment or repeal.

Requested by: Senators Hoyle, Kerr, Winner, Representatives Gray, Brawley, Dickson, C. Wilson, Shubert

SALES TAX REFUNDS FOR SCHOOLS

Section 29A.4. (a) G.S. 105-164.14(c) reads as rewritten:

"(c) Certain Governmental Entities. -- A governmental entity listed in this subsection is allowed an annual refund of sales and use ~~tax~~ taxes paid by it under this Article, except under G.S. 105-164.4(a)(4a) and G.S. 105-164.4(a)(4c), on direct purchases of tangible personal property. Sales and use tax liability indirectly incurred by a governmental entity on building materials, supplies, fixtures, and equipment that become a part of or annexed to any building or structure that is owned or leased by the governmental entity and is being erected, altered, or repaired for use by the governmental entity is considered a sales or use tax liability incurred on direct purchases by the governmental entity for the purpose of this subsection. A request for a refund must be in writing and must include any information and documentation required by the Secretary. A request for a refund is due within six months after the end of the governmental entity's fiscal year.

This subsection applies only to the following governmental entities:

(1) A county.
(2) A city as defined in G.S. 160A-1.
(2a) A consolidated city-county as defined in G.S. 160B-2.
(2b) A local school administrative unit.
(3) A metropolitan sewerage district or a metropolitan water district in this State.
(4) A water and sewer authority created under Chapter 162A of the General Statutes.
(5) A lake authority created by a board of county commissioners pursuant to an act of the General Assembly.
(6) A sanitary district.
(7) A regional solid waste management authority created pursuant to G.S. 153A-421.
(8) An area mental health, developmental disabilities, and substance abuse authority, other than a single-county area authority, established pursuant to Article 4 of Chapter 122C of the General Statutes.
(9) A district health department.
(10) A regional council of governments created pursuant to G.S. 160A-470.
(11) A regional planning and economic development commission or a regional economic development commission created pursuant to Chapter 158 of the General Statutes.
(12) A regional planning commission created pursuant to G.S. 153A-391.
(13) A regional sports authority created pursuant to G.S. 160A-479.

(14) A public transportation authority created pursuant to Article 25 of Chapter 160A of the General Statutes.

(14a) A facility authority created pursuant to Part 4 of Article 20 of Chapter 160A of the General Statutes.

(15) A regional public transportation authority created pursuant to Article 26 of Chapter 160A of the General Statutes.

(16) A local airport authority that was created pursuant to a local act of the General Assembly and has at least one of the following characteristics:

a. It has all of the rights of a municipality.

b. A local act of the General Assembly declares it to be a municipality.

c. A local act of the General Assembly specifically authorizes it to receive a refund under this section.

(17) A joint agency created by interlocal agreement pursuant to G.S. 160A-462 to operate a public broadcasting television station.

(18) The North Carolina Low-Level Radioactive Waste Management Authority created pursuant to Chapter 104G of the General Statutes.

(19) The North Carolina Hazardous Waste Management Commission created pursuant to Chapter 130B of the General Statutes.

(20) A constituent institution of The University of North Carolina, but only with respect to sales and use tax paid by it for tangible personal property acquired by it through the expenditure of contract and grant funds.

(21) The University of North Carolina Hospitals at Chapel Hill."

(b) This section is effective when it becomes law and applies to taxes paid on or after July 1, 1998.

Requested by: Senators Hoyle, Kerr, Representatives Gray, Brawley, Dickson, C. Wilson

CORPORATE DIVIDEND TECHNICAL CHANGE

Section 29A.5. (a) G.S. 105-130.7(b) reads as rewritten:

"(b) Subsidiary Dividends. -- A corporation ~~that, at the close of its taxable year, has its commercial domicile within North Carolina~~ may deduct all dividends received from corporations in which it owns more than fifty percent (50%) of the outstanding voting stock."

(b) This section is effective when it becomes law.

Requested by: Senators Hoyle, Kerr, Cochrane, Representatives Gray, Brawley, Dickson, C. Wilson, Cansler

CREDIT FOR LONG-TERM CARE INSURANCE

Section 29A.6. (a) Part 2 of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"**§ 105-151.28. Credit for premiums paid on long-term care insurance.**

(a) Credit. -- An individual is allowed, as a credit against the tax imposed by this Part, an amount equal to fifteen percent (15%) of the premium costs the individual paid during the taxable year on a qualified long-term care insurance contract that offers coverage to either the individual, the individual's spouse, or a dependent for whom the individual was allowed to deduct a personal exemption under section 151(c)(1)(A) of the Code for the taxable year. The credit allowed by this section may not exceed three hundred fifty dollars ($350.00) for each qualified long-term care insurance contract for which a credit is claimed. The credit allowed under this section may not exceed the amount of tax imposed

by this Part for the taxable year reduced by the sum of all credits allowed, except payments of tax made by or on behalf of the taxpayer. A nonresident or part-year resident who claims the credit allowed by this subsection shall reduce the amount of the credit by multiplying it by the fraction calculated under G.S. 105-134.5(b) or (c), as appropriate.

(b) No Double Benefit. -- No credit is allowed for payments that are deducted from, or not included in, the taxpayer's gross income for the taxable year. If the taxpayer claimed a deduction for health insurance costs of self-employed individuals under section 162(l) of the Code for the taxable year, the amount of credit otherwise allowed the taxpayer under this section is reduced by the applicable percentage provided in section 162(l) of the Code. If the taxpayer claimed a deduction for medical care expenses under section 213 of the Code for the taxable year, the taxpayer is not allowed a credit under this section. A taxpayer who claims the credit allowed by this section must provide any information required by the Secretary to demonstrate that the amount paid for premiums for which the credit is claimed was not excluded from the taxpayer's gross income for the taxable year.

(c) Definition. -- For purposes of this section, the term `qualified long-term care insurance contract' has the same meaning as defined in section 7702B of the Code."

(b) G.S. 105-160.3(b), as amended by S.L. 1998-98, reads as rewritten:

"(b) The following credits are not allowed to an estate or trust:

(1) G.S. 105-151. Tax credits for income taxes paid to other states by individuals.

(2) G.S. 105-151.11. Credit for child care and certain employment-related expenses.

(3) G.S. 105-151.18. Credit for the disabled.

~~(4) G.S. 105-152.27. Credit for child health insurance.~~

(4) G.S. 105-151.24. Credit for children.

(5) G.S. 105-151.26. Credit for charitable contributions by nonitemizers.

(6) G.S. 105-152.27. Credit for child health insurance.

(7) G.S. 105-151.28. Credit for long-term care insurance."

(c) The Legislative Research Commission shall study the effectiveness of the credit enacted by this section. The Department of Revenue shall provide the Commission data on the usage of this credit, including profiles of taxpayer categories using the credit. The Division of Aging, Department of Health and Human Services, shall provide the Commission data on the effect of the credit on the State's Medicaid costs. The Commission shall report its findings and recommendations to the 2004 Regular Session of the 2003 General Assembly.

(d) Subsection (a) of this section is effective for taxable years beginning on or after January 1, 1999, and expires for taxable years beginning on or after January 1, 2004. The remainder of this section is effective when it becomes law. G.S. 105-160.3(b)(7), as enacted by this act, is repealed effective for taxable years beginning on or after January 1, 2004.

Requested by: Senators Hoyle, Kerr, Representatives Gray, Brawley, Dickson, C. Wilson

INSURANCE REGULATORY CHARGE

Section 29A.7. (a) The percentage rate to be used in calculating the insurance regulatory charge under G.S. 58-6-25 is six percent (6%) for the 1998 calendar year.

(b) G.S. 58-6-25(a) reads as rewritten:

"(a) Charge Levied. -- There is levied on each insurance company an annual charge for the purposes stated in subsection (d) of this section. As used in this section, the term `insurance company' means a company that pays the gross premiums tax levied in G.S. 105-228.5 and G.S. 105-228.8, except a service corporation subject to Article 65 of this

Chapter. A health maintenance organization subject to Article 67 of this Chapter is not subject to those taxes and is therefore not subject to the charge levied in this section. The charge levied in this section is in addition to all other fees and taxes. The charge shall be at a percentage rate of the company's premium tax liability for the taxable year. In determining an insurance company's premium tax liability for a taxable year, the following shall be disregarded:

(1) ~~additional~~ Additional taxes imposed by G.S. ~~105-228.8,~~ 105-228.8.

(2) The ~~the~~ additional local fire and lightning tax imposed by G.S. ~~105-228.5(d)(4), and any~~ 105-228.5(d)(4).

(3) Any tax credits for guaranty or solvency fund assessments under G.S. 105-228.5A or G.S. ~~97-133(a) shall be disregarded.~~ 97-133(a).

(4) Any tax credits allowed under Chapter 105 of the General Statutes other than tax payments made by or on behalf of the taxpayer."

(c) This section becomes effective January 1, 1998.

Requested by: Senators Hoyle, Kerr, Representatives Gray, Brawley, Dickson, C. Wilson

PUBLIC UTILITY REGULATORY FEE

Section 29A.8. (a) The percentage rate to be used in calculating the public utility regulatory fee under G.S. 62-302(b)(2) is nine-hundredths percent (0.09%) of each public utility's North Carolina jurisdictional revenues earned during each quarter that begins on or after July 1, 1998.

(b) This section becomes effective July 1, 1998.

Requested by: Senators Hoyle, Kerr, Representatives Gray, Brawley, Dickson, C. Wilson

SECRETARY OF STATE FEES

Section 29A.9. (a) G.S. 10A-7 reads as rewritten:

"§ 10A-7. Fee with commission application.

Every applicant for a notarial commission shall pay to this State a nonrefundable fee of ~~twenty-five dollars ($25.00).~~ thirty dollars ($30.00). Every applicant for recommissioning shall pay to this State a nonrefundable fee of ~~twenty-five dollars ($25.00).~~ thirty dollars ($30.00)."

(b) G.S. 78A-28 reads as rewritten:

"§ 78A-28. Provisions applicable to registration generally.

(a) A registration statement may be filed by the issuer, any other person on whose behalf the offering is to be made, or a registered dealer.

(b) Every person filing a registration statement shall pay a filing fee of ~~one hundred dollars ($100.00), plus a registration fee of one-tenth of one percent (1/10 of 1%) of the maximum aggregate offering price at which the registered securities are to be offered in this State, but the registration fee may not be less than twenty-five dollars ($25.00) nor more than one thousand five hundred dollars ($1,500).~~ two thousand dollars ($2,000). When a registration statement is withdrawn before the effective date or a pre-effective stop order is entered under G.S. 78A-29, the Administrator shall retain the filing fee. A registration statement relating to ~~securities issued or to be issued by a mutual fund, open-end management company, or unit investment trust or relating to other redeemable securities, to~~ redeemable securities to be offered for a period in excess of one year, other than securities covered under federal law, must be renewed annually by payment of a renewal fee of one hundred dollars ($100.00) and by filing any documents or reports that the Administrator may by rule or order require.

(c) Every registration statement shall specify (i) the amount of securities to be offered in this State; (ii) the states in which a registration statement or similar document in

connection with the offering has been or is expected to be filed; and (iii) any adverse order, judgment, or decree entered in connection with the offering by the regulatory authorities in each state or by any court or the Securities and Exchange Commission.

(d) Any document filed under this Chapter or a predecessor law within five years preceding the filing of a registration statement may be incorporated by reference in the registration statement to the extent that the document is currently accurate.

(e) The Administrator may by rule or otherwise permit the omission of any item of information or document from any registration statement.

(f) In the case of a nonissuer distribution, information may not be required under G.S. 78A-27 or 78A-28(i) unless it is known to the person filing the registration statement or to the persons on whose behalf the distribution is to be made, or can be furnished by them without unreasonable effort or expense.

(g) The Administrator may by rule or order require as a condition of registration by qualification or coordination (i) that any security issued within the past three years or to be issued to a promoter for a consideration substantially different from the public offering price, or to any person for a consideration other than cash, be deposited in escrow; and (ii) that the proceeds from the sale of the registered security in this State be impounded until the issuer receives a specified amount from the sale of the securities either in this State or elsewhere. The Administrator may by rule or order determine the conditions of any escrow or impounding required hereunder, but he may not reject a depository solely because of location in another state.

(h) Except during the time a stop order is in effect under G.S. 78A-29, a registration statement relating to ~~securities issued or to be issued by a mutual fund, open-end management company, or unit investment trust or relating to other redeemable securities, to~~ redeemable securities to be offered for a period in excess of one year, other than securities covered under federal law, expires on December 31 of each year or some other date not more than one year from its effective date as the Administrator may by rule or order provide. Every other registration statement is effective for one year from its effective date, or any longer period during which the security is being offered or distributed in a nonexempted transaction by or for the account of the issuer or other person on whose behalf the offering is being made or by any underwriter or dealer who is still offering part of an unsold allotment or subscription taken by him as a participant in the distribution, except during the time a stop order is in effect under G.S. 78A-29. All outstanding securities of the same class as a registered security are considered to be registered for the purpose of any nonissuer transaction (i) so long as the registration statement is effective and (ii) between the thirtieth day after the entry of any stop order suspending or revoking the effectiveness of the registration statement under G.S. 78A-29 (if the registration statement did not relate in whole or in part to a nonissuer distribution) and one year from the effective date of the registration statement. A registration statement may not be withdrawn for one year from its effective date if any securities of the same class are outstanding. A registration statement may be withdrawn otherwise only in the discretion of the Administrator.

(i) So long as a registration statement is effective, the Administrator may by rule or order require the person who filed the registration statement to file reports, not more often than quarterly, to keep reasonably current the information contained in the registration statement and to disclose progress of the offering.

(j) A registration statement filed in accordance with subsection (b) of this section may be amended after its effective date to increase the securities specified as proposed to be offered. Such an amendment becomes effective when the Administrator so orders. Every person filing such an amendment shall pay a ~~registration fee calculated in the manner~~

~~specified in subsection (b) and a~~ filing fee of fifty dollars ($50.00) with respect to the additional securities proposed to be offered."

(c) G.S. 78A-30 is amended by adding a new subsection to read:

"(g) The Administrator shall charge a fee for a fairness hearing that the Administrator holds under this section. The Administrator shall set the fee based upon the time and expenses incurred by the Administrator. The fee may not be less than five hundred dollars ($500.00), and it may not exceed five thousand dollars ($5,000)."

(d) G.S. 78A-31(a) reads as rewritten:

"(a) The Administrator, by rule or order, may require the filing of any of the following documents with regard to a security covered under section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. § 77r(b)(2)):

(1) Prior to the initial offer of the security in this State, all documents that are part of a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933, or, in lieu thereof, a form prescribed by the Administrator, together with a consent to service of process signed by the issuer and with the payment of a notice filing fee of ~~one-tenth of one percent (1/10 of 1%) of the maximum aggregate offering price at which the securities covered under federal law are to be offered in this State, but the notice filing fee shall not be less than twenty-five dollars ($25.00) or more than one thousand six hundred dollars ($1,600).~~ two thousand dollars ($2,000).

(2) After the initial offer of the security in this State, all documents that are part of an amendment to a federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933, or, in lieu thereof, a form prescribed by the Administrator, which shall be filed concurrently with the Administrator.

(3) A report of the value of securities covered under federal law that are offered or sold in this State.

(4) A notice filing pursuant to this section shall expire on December 31 of each year or some other date not more than one year from its effective date as the Administrator may by rule or order provide. A notice filing of the offer of securities covered under federal law that are to be offered for a period in excess of one year shall be renewed annually by payment of a renewal fee of one hundred dollars ($100.00) and by filing any documents and reports that the Administrator may by rule or order require consistent with this section. The renewal shall be effective upon the expiration of the prior notice period.

(5) A notice filed in accordance with this section may be amended after its effective date to increase the securities specified as proposed to be offered. An amendment becomes effective upon receipt by the Administrator. Every person submitting an amended notice filing shall pay ~~a fee calculated in the manner specified in subdivision (1) of this subsection and~~ a filing fee of fifty dollars ($50.00) with respect to the additional securities proposed to be offered."

(e) G.S. 147-37 reads as rewritten:

"§ 147-37. Secretary of State; fees to be collected.

When no other charge is provided by law, the Secretary of State shall collect such fees for copying any document or record on file in his office which in his discretion bears a reasonable relation to the quantity of copies supplied and the cost of purchasing or leasing and maintaining copying equipment. These fees may be changed from time to time, but a

schedule of fees shall be available on request at all times. In addition to copying charges, the Secretary of State shall collect a fee of ~~six dollars and twenty-five cents ($6.25)~~ ten dollars ($10.00) for certifying any document or record on file in his office or for issuing any certificate as to the facts shown by the records on file in his office."

(f) This section becomes effective January 1, 1999.

Requested by: Senators Hoyle, Kerr, Rand, Representatives Gray, Brawley, Dickson, C. Wilson

INCREASE AUTOPSY FEE

Section 29A.10. (a) G.S. 130A-389(a) reads as rewritten:

"(a) If, in the opinion of the medical examiner investigating the case or of the Chief Medical Examiner, it is advisable and in the public interest that an autopsy or other study be made; or, if an autopsy or other study is requested by the district attorney of the county or by any superior court judge, an autopsy or other study shall be made by the Chief Medical Examiner or by a competent pathologist designated by the Chief Medical Examiner. A complete autopsy report of findings and interpretations, prepared on forms designated for the purpose, shall be submitted promptly to the Chief Medical Examiner. Copies of the report shall be furnished the authorizing medical examiner, district attorney or superior court judge. A copy of the report shall be furnished to other persons upon request. A fee for the autopsy or other study shall be paid by the State. However, if the deceased is a resident of the county in which the death or fatal injury occurred, that county shall pay the fee. The fee shall be ~~four hundred dollars ($400.00).~~ one thousand dollars ($1,000)."

(b) This section becomes effective January 1, 1999, and applies to autopsies or other studies performed on or after that date.

Requested by: Senators Hoyle, Kerr, Representatives Gray, Brawley, Dickson, C. Wilson

WATER QUALITY FEES

Section 29A.11. (a) Part 1 of Article 21 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"**§ 143-215.3D. Fee schedule for water quality permits.**

(a) Annual fees for discharge and nondischarge permits under G.S. 143-215.1. --

(1) Major Individual NPDES Permits. -- The annual fee for an individual permit for a point source discharge of 1,000,000 or more gallons per day, a publicly owned treatment works (POTW) that administers a POTW pretreatment program, as defined in 40 Code of Federal Regulations § 403.3 (1 July 1996 Edition), or an industrial waste treatment works that has a high toxic pollutant potential shall be two thousand eight hundred sixty-five dollars ($2,865).

(2) Minor Individual NPDES Permits. -- The annual fee for an individual permit for a point source discharge other than a point source discharge to which subdivision (1) of this subsection applies shall be seven hundred fifteen dollars ($715.00).

(3) Single-Family Residence. -- The annual fee for a certificate of coverage under a general permit for a point source discharge or an individual nondischarge permit from a single-family residence shall be fifty dollars ($50.00).

(4) Stormwater and Wastewater Discharge General Permits. -- The annual fee for a certificate of coverage under a general permit for a point

source discharge of stormwater or wastewater shall be eighty dollars ($80.00).

(5) Recycle Systems. -- The annual fee for an individual permit for a recycle system nondischarge permit shall be three hundred dollars ($300.00).

(6) Major Nondischarge Permits. -- The annual fee for an individual permit for a nondischarge of 10,000 or more gallons per day or requiring 300 or more acres of land shall be one thousand ninety dollars ($1,090).

(7) Minor Nondischarge Permits. -- The annual fee for an individual permit for a nondischarge of less than 10,000 gallons per day or requiring less than 300 acres of land shall be six hundred seventy-five dollars ($675.00).

(8) Animal Waste Management Systems. -- The annual fee for animal waste management systems shall be as set out in G.S. 143-215.10G.

(b) Application fee for new discharge and nondischarge permits. -- An application for a new permit of the type set out in subsection (a) of this section shall be accompanied by an initial application fee equal to the annual fee for that permit. If a permit is issued, the application fee will be applied as the annual fee for the first year that the permit is in effect. If the application is denied, the application fee shall not be refunded.

(c) Application and annual fees for consent special orders. --

(1) Major Consent Special Orders. -- If the Commission enters into a consent special order, assurance of voluntary compliance, or similar document pursuant to G.S. 143-215.2 for an activity subject to an annual fee under subdivision (1) or (6) of subsection (a) of this section, the initial project fee shall be four hundred dollars ($400.00) and the annual fee shall be five hundred dollars ($500.00). These fees shall be in addition to the annual fee due under subsection (a) of this section.

(2) Minor Consent Special Orders. -- If the Commission enters into a consent special order, assurance of voluntary compliance, or similar document pursuant to G.S. 143-215.2 for an activity subject to an annual fee under subdivision (2) or (7) of subsection (a) of this section, the initial project fee shall be four hundred dollars ($400.00) and the annual fee shall be two hundred fifty dollars ($250.00). These fees shall be in addition to the annual fee due under subsection (a) of this section.

(d) Fee for major permit modifications. -- An application for a major modification of a permit of the type set out in subsection (a) of this section shall be accompanied by an application fee equal to thirty percent (30%) of the annual fee applicable to that permit. A major modification of a permit is any modification that would allow an increase in the volume or pollutant load of the discharge or nondischarge or that would result in a significant relocation of the point of discharge, as determined by the Commission. This fee shall be in addition to the fees due under subsections (a) and (c) of this section. If the application is denied, the application fee shall not be refunded.

(e) Other fees under this Article. --

(1) Sewer System Extension Permits. -- The application fee for a permit for the construction of a new sewer system or for the extension of an existing sewer system shall be four hundred dollars ($400.00).

(2) State Stormwater Permits. -- The application fee for a permit regulating stormwater runoff under G.S. 143-214.7 and G.S. 143-215.1 shall be four hundred twenty dollars ($420.00).

(3) Major Water Quality Certifications. -- The fee for a water quality certification involving one acre or more of wetland fill or 150 feet or more of stream impact shall be four hundred seventy-five dollars ($475.00).

(4) Minor Water Quality Certifications. -- The fee for a water quality certification involving less than one acre of wetland fill or less than 150 feet of stream impact shall be two hundred dollars ($200.00).

(5) Permit for Land Application of Petroleum Contaminated Soils. -- The fee for a permit to apply petroleum contaminated soil to land shall be four hundred dollars ($400.00).

(6) Fee Nonrefundable. -- If an application for a permit or a certification described in this subsection is denied, the application or certification fee shall not be refunded."

(b) G.S. 143-215.3(a) reads as rewritten:

"(a) Additional Powers. -- In addition to the specific powers prescribed elsewhere in this Article, and for the purpose of carrying out its duties, the Commission shall have the power:

(1) To make rules implementing Articles 21, 21A, 21B, or 38 of this Chapter.

(1a) To ~~charge~~ adopt fee schedules and collect fees for the following:

a. Processing of applications for permits or registrations issued under ~~Articles~~ Article 21, other than Parts 1 and 1A, Articles 21A, 21B, and 38 of this Chapter;

b. Administering permits or registrations issued under ~~Articles~~ Article 21, other than Parts 1 and 1A, Articles 21A, 21B, ~~or~~ and 38 of this Chapter including monitoring compliance with the terms of those permits; and

c. Reviewing, processing, and publicizing applications for construction grant awards under the Federal Water Pollution Control Act.

No fee may be charged under this provision, however, to a farmer who submits an application that pertains to his farming operations.

(1b) ~~The fee to be charged pursuant to G.S. 143-215.3(a)(1a) for processing an application for a permit under G.S. 143-215.1 of Article 21 may not exceed four hundred dollars ($400.00).~~ The fee to be charged pursuant to G.S. 143-215.3(a)(1a) for processing an application for a permit under G.S. 143-215.108 and G.S. 143-215.109 of Article 21B of this Chapter may not exceed five hundred dollars ($500.00). The fee to be charged pursuant to G.S. 143-215.3(a)(1a) for processing a registration under Part 2A of this Article or Article 38 of this Chapter may not exceed fifty dollars ($50.00) for any single registration. An additional fee of twenty percent (20%) of the registration processing fee may be assessed for a late registration under Article 38 of this Chapter. The fee for administering and compliance monitoring under ~~G.S. 143-215.1 of Article 21~~ Article 21, other than Parts 1 and 1A, and G.S. 143-215.108 and G.S. 143-215.109 of Article 21B shall be charged on an annual basis for each year of the permit term and may not exceed one thousand five hundred dollars ($1,500) per year. Fees for processing all permits under Article 21A and all other sections of ~~Articles 21 and~~ Article 21B shall not exceed one hundred dollars ($100.00) for any single permit.

~~Notwithstanding any other provision of this subdivision, the~~ The total payment for fees ~~required~~ that are set by the Commission under this subsection for all permits ~~under this subsection~~ for any single facility shall not exceed seven thousand five hundred dollars ($7,500) per year, which amount shall include all application fees and fees for administration and compliance monitoring. A single facility is defined to be any contiguous area under one ownership and in which permitted activities occur. For all permits issued under these Articles where a fee schedule is not specified in the statutes, the Commission, or other commission specified by statute shall adopt a fee schedule in a rule following the procedures established by the Administrative Procedure Act. Fee schedules shall be established to reflect the size of the emission or discharge, the potential impact on the environment, the staff costs involved, relative costs of the issuance of new permits and the reissuance of existing permits, and shall include adequate safeguards to prevent unusual fee assessments which would result in serious economic burden on an individual applicant. A system shall be considered to allow consolidated annual payments for persons with multiple permits. In its rulemaking to establish fee schedules, the Commission is also directed to consider a method of rewarding facilities which achieve full compliance with administrative and self-monitoring reporting requirements, and to consider, in those cases where the cost of renewal or amendment of a permit is less than for the original permit, a lower fee for the renewal or amendment.

(1c) Moneys collected pursuant to G.S. 143-215.3(a)(1a) shall be used to:

a. Eliminate, insofar as possible, backlogs of permit applications awaiting agency action;

b. Improve the quality of permits issued;

c. Improve the rate of compliance of permitted activities with environmental standards; and

d. Decrease the length of the processing period for permit applications.

(1d) The Commission may adopt and implement a graduated fee schedule sufficient to cover all direct and indirect costs required for the State to develop and administer a permit program which meets the requirements of Title V. The provisions of subdivision (1b) of this subsection do not apply to the adoption of a fee schedule under this subdivision. In adopting and implementing a fee schedule, the Commission shall require that the owner or operator of all air contaminant sources subject to the requirement to obtain a permit under Title V to pay an annual fee, or the equivalent over some other period, sufficient to cover costs as provided in section 502(b)(3)(A) of Title V. The fee schedule shall be adopted according to the procedures set out in Chapter 150B of the General Statutes.

a. The total amount of fees collected under the fee schedule adopted pursuant to this subdivision shall conform to the requirements of section 502(b)(3)(B) of Title V. No fee shall be collected for more than 4,000 tons per year of any individual regulated pollutant, as defined in section 502(b)(3)(B)(ii) of Title V,

emitted by any source. Fees collected pursuant to this subdivision shall be credited to the Title V Account.

b. The Commission may reduce any permit fee required under this section to take into account the financial resources of small business stationary sources as defined under Title V and regulations promulgated by the United States Environmental Protection Agency.

c. When funds in the Title V Account exceed the total amount necessary to cover the cost of the Title V program for the next fiscal year, the Secretary shall reduce the amount billed for the next fiscal year so that the excess funds are used to supplement the cost of administering the Title V permit program in that fiscal year.

(1e) The Commission shall collect the application, annual, and project fees for processing and administering permits, certificates of coverage under general permits, and certifications issued under Parts 1 and 1A of this Article and for compliance monitoring under Parts 1 and 1A of this Article as provided in G.S. 143-215.3D and G.S. 143-215.10G.

(2) To direct that such investigation be conducted as it may reasonably deem necessary to carry out its duties as prescribed by this Article or Article 21A or Article 21B of this Chapter, and for this purpose to enter at reasonable times upon any property, public or private, for the purpose of investigating the condition of any waters and the discharge therein of any sewage, industrial waste, or other waste or for the purpose of investigating the condition of the air, air pollution, air contaminant sources, emissions, or the installation and operation of any air-cleaning devices, and to require written statements or the filing of reports under oath, with respect to pertinent questions relating to the operation of any air-cleaning device, sewer system, disposal system, or treatment works. In the case of effluent or emission data, any records, reports, or information obtained under this Article or Article 21A or Article 21B of this Chapter shall be related to any applicable effluent or emission limitations or toxic, pretreatment, or new source performance standards. No person shall refuse entry or access to any authorized representative of the Commission or Department who requests entry for purposes of inspection, and who presents appropriate credentials, nor shall any person obstruct, hamper or interfere with any such representative while in the process of carrying out his official duties.

(3) To conduct public hearings and to delegate the power to conduct public hearings in accordance with the procedures prescribed by this Article or by Article 21B of this Chapter.

(4) To delegate such of the powers of the Commission as the Commission deems necessary to one or more of its members, to the Secretary or any other qualified employee of the Department. The Commission shall not delegate to persons other than its own members and the designated employees of the Department the power to conduct hearings with respect to the classification of waters, the assignment of classifications, air quality standards, air contaminant source classifications, emission control standards, or the issuance of any special order except in the case of an emergency under subdivision (12) of this subsection for the

abatement of existing water or air pollution. Any employee of the Department to whom a delegation of power is made to conduct a hearing shall report the hearing with its evidence and record to the Commission.

(5) To institute such actions in the superior court of any county in which a violation of this Article, Article 21B of this Chapter, or the rules of the Commission has occurred, or, in the discretion of the Commission, in the superior court of the county in which any defendant resides, or has his or its principal place of business, as the Commission may deem necessary for the enforcement of any of the provisions of this Article, Article 21B of this Chapter, or of any official action of the Commission, including proceedings to enforce subpoenas or for the punishment of contempt of the Commission.

(6) To agree upon or enter into any settlements or compromises of any actions and to prosecute any appeals or other proceedings.

(7) To direct the investigation of any killing of fish and wildlife which, in the opinion of the Commission, is of sufficient magnitude to justify investigation and is known or believed to have resulted from the pollution of the waters or air as defined in this Article, and whenever any person, whether or not he shall have been issued a certificate of approval, permit or other document of approval authorized by this or any other State law, has negligently, or carelessly or unlawfully, or willfully and unlawfully, caused pollution of the waters or air as defined in this Article, in such quantity, concentration or manner that fish or wildlife are killed as the result thereof, the Commission, may recover, in the name of the State, damages from such person. The measure of damages shall be the amount determined by the Department and the North Carolina Wildlife Resources Commission, whichever has jurisdiction over the fish and wildlife destroyed to be the replacement cost thereof plus the cost of all reasonable and necessary investigations made or caused to be made by the State in connection therewith. Upon receipt of the estimate of damages caused, the Department shall notify the persons responsible for the destruction of the fish or wildlife in question and may effect such settlement as the Commission may deem proper and reasonable, and if no settlement is reached within a reasonable time, the Commission shall bring a civil action to recover such damages in the superior court in the county in which the discharge took place. Upon such action being brought the superior court shall have jurisdiction to hear and determine all issues or questions of law or fact, arising on the pleadings, including issues of liability and the amount of damages. On such hearing, the estimate of the replacement costs of the fish or wildlife destroyed shall be prima facie evidence of the actual replacement costs of such fish or wildlife. In arriving at such estimate, any reasonably accurate method may be used and it shall not be necessary for any agent of the Wildlife Resources Commission or the Department to collect, handle or weigh numerous specimens of dead fish or wildlife.

The State of North Carolina shall be deemed the owner of the fish or wildlife killed and all actions for recovery shall be brought by the Commission on behalf of the State as the owner of the fish or

wildlife. The fact that the person or persons alleged to be responsible for the pollution which killed the fish or wildlife holds or has held a certificate of approval, permit or other document of approval authorized by this Article or any other law of the State shall not bar any such action. The proceeds of any recovery, less the cost of investigation, shall be used to replace, insofar as and as promptly as possible, the fish and wildlife killed, or in cases where replacement is not practicable, the proceeds shall be used in whatever manner the responsible agency deems proper for improving the fish and wildlife habitat in question. Any such funds received are hereby appropriated for these designated purposes. Nothing in this paragraph shall be construed in any way to limit or prevent any other action which is now authorized by this Article.

(8) After issuance of an appropriate order, to withhold the granting of any permit or permits pursuant to G.S. 143-215.1 or G.S. 143-215.108 for the construction or operation of any new or additional disposal system or systems or air-cleaning device or devices in any area of the State. Such order may be issued only upon determination by the Commission, after public hearing, that the permitting of any new or additional source or sources of water or air pollution will result in a generalized condition of water or air pollution within the area contrary to the public interest, detrimental to the public health, safety, and welfare, and contrary to the policy and intent declared in this Article or Article 21B of this Chapter. The Commission may make reasonable distinctions among the various sources of water and air pollution and may direct that its order shall apply only to those sources which it determines will result in a generalized condition of water or air pollution.

The determination of the Commission shall be supported by detailed findings of fact and conclusions set forth in the order and based upon competent evidence of record. The order shall describe the geographical area of the State affected thereby with particularity and shall prohibit the issuance of permits pending a determination by the Commission that the generalized condition of water or air pollution has ceased.

Notice of hearing shall be given in accordance with the provisions of G.S. 150B-21.2.

A person aggrieved by an order of the Commission under this subdivision may seek judicial review of the order under Article 4 of Chapter 150B of the General Statutes without first commencing a contested case. An order may not be stayed while it is being reviewed.

(9) If an investigation conducted pursuant to this Article or Article 21B of this Chapter reveals a violation of any rules, standards, or limitations adopted by the Commission pursuant to this Article or Article 21B of this Chapter, or a violation of any terms or conditions of any permit issued pursuant to G.S. 143-215.1 or 143-215.108, or special order or other document issued pursuant to G.S. 143-215.2 or G.S. 143-215.110, the Commission may assess the reasonable costs of any investigation, inspection or monitoring survey which revealed the violation against the person responsible therefor. If the violation resulted in an unauthorized discharge to the waters or atmosphere of

the State, the Commission may also assess the person responsible for the violation for any actual and necessary costs incurred by the State in removing, correcting or abating any adverse effects upon the water or air resulting from the unauthorized discharge. If the person responsible for the violation refuses or fails within a reasonable time to pay any sums assessed, the Commission may institute a civil action in the superior court of the county in which the violation occurred or, in the Commission's discretion, in the superior court of the county in which such person resides or has his or its principal place of business, to recover such sums.

(10) To require a laboratory facility that performs any tests, analyses, measurements, or monitoring required under this Article or Article 21B of this Chapter to be certified annually by the Department, to establish standards that a laboratory facility and its employees must meet and maintain in order for the laboratory facility to be certified, and to charge a laboratory facility a fee for certification. Fees collected under this subdivision shall be credited to the Water and Air Account and used to administer this subdivision. These fees shall be applied to the cost of certifying commercial, industrial, and municipal laboratory facilities.

(11) Repealed by Session Laws 1983, c. 296, s. 6.

(12) To declare an emergency when it finds that a generalized condition of water or air pollution which is causing imminent danger to the health or safety of the public. Regardless of any other provisions of law, if the Department finds that such a condition of water or air pollution exists and that it creates an emergency requiring immediate action to protect the public health and safety or to protect fish and wildlife, the Secretary of the Department with the concurrence of the Governor, shall order persons causing or contributing to the water or air pollution in question to reduce or discontinue immediately the emission of air contaminants or the discharge of wastes. Immediately after the issuance of such order, the chairman of the Commission shall fix a place and time for a hearing before the Commission to be held within 24 hours after issuance of such order, and within 24 hours after the commencement of such hearing, and without adjournment thereof, the Commission shall either affirm, modify or set aside the order.

In the absence of a generalized condition of air or water pollution of the type referred to above, if the Secretary finds that the emissions from one or more air contaminant sources or the discharge of wastes from one or more sources of water pollution is causing imminent danger to human health and safety or to fish and wildlife, he may with the concurrence of the Governor order the person or persons responsible for the operation or operations in question to immediately reduce or discontinue the emissions of air contaminants or the discharge of wastes or to take such other measures as are, in his judgment, necessary, without regard to any other provisions of this Article or Article 21B of this Chapter. In such event, the requirements for hearing and affirmance, modification or setting aside of such orders set forth in the preceding paragraph of this subdivision shall apply.

(13) Repealed by Session Laws 1983, c. 296, s. 6.

(14) To certify and approve, by appropriate delegations and conditions in permits required by G.S. 143-215.1, requests by publicly owned treatment works to implement, administer and enforce a pretreatment program for the control of pollutants which pass through or interfere with treatment processes in such treatment works; and to require such programs to be developed where necessary to comply with the Federal Water Pollution Control Act and the Resource Conservation and Recovery Act, including the addition of conditions and compliance schedules in permits required by G.S. 143-215.1. Pretreatment programs submitted by publicly owned treatment works shall include, at a minimum, the adoption of pretreatment standards, a permit or equally effective system for the control of pollutants contributed to the treatment works, and the ability to effectively enforce compliance with the program.

(15) To adopt rules for the prevention of pollution from underground tanks containing petroleum, petroleum products, or hazardous substances. Rules adopted under this section may incorporate standards and restrictions which exceed and are more comprehensive than comparable federal regulations.

(16) To adopt rules limiting the manufacture, storage, sale, distribution or use of cleaning agents containing phosphorus pursuant to G.S. 143-214.4(e), and to adopt rules limiting the manufacture, storage, sale, distribution or use of cleaning agents containing nitrilotriacetic acid.

(17) To adopt rules to implement Part 2A of Article 21A of Chapter 143."

(c) G.S. 143-215.3A reads as rewritten:

"§ 143-215.3A. Water and Air Quality Account; use of application and permit fees; Title V Account; I & M Air Pollution Control Account; reports.

(a) The Water and Air Quality Account is established as a nonreverting account within the Department. Revenue in the Account shall be applied to the costs of administering the programs for which the fees were collected. Revenue credited to the Account pursuant to G.S. 105-449.125, 105-449.134, and 105-449.43 shall be used to administer the air quality program. Except for the following fees, all application fees and permit administration fees collected by the State for permits issued under Articles 21, 21A, 21B, and 38 of this Chapter shall be credited to the Account:

(1) Fees collected under Part 2 of Article 21A and credited to the Oil or Other Hazardous Substances Pollution Protection Fund.

(2) Fees credited to the Title V Account.

(3) Fees credited to the Wastewater Treatment Works Emergency Maintenance, Operation and Repair Fund under G.S. 143-215.3B.

(4) Fees collected under G.S. 143-215.28A.

(5) Fees collected under G.S. 143-215.94C shall be credited to the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund.

(a1) The total monies collected per year from fees for permits under G.S. 143-215.3(a)(1a), after deducting those monies collected under G.S. ~~143-215.3(A)(1d),~~ 143-215.3(a)(1d), shall not exceed thirty percent (30%) of the total budgets from all sources of environmental permitting and compliance programs within the Department. This subsection shall not be construed to relieve any person of the obligation to pay a fee established under this Article or Articles 21A, 21B, or 38 of this Chapter.

(b) The Title V Account is established as a nonreverting account within the Department. Revenue in the Account shall be used for developing and implementing a permit program that meets the requirements of Title V. The Title V Account shall consist of fees collected pursuant to G.S. 143-215.3(a)(1d) and G.S. 143-215.106A. Fees collected under G.S. 143-215.3(a)(1d) shall be used only to cover the direct and indirect costs required to develop and administer the Title V permit program, and fees collected under G.S. 143-215.106A shall be used only for the eligible expenses of the Title V program. Expenses of the Air Quality Compliance Advisory Panel, the ombudsman for the Small Business Stationary Source Technical and Environmental Compliance Assistance Program, support staff, equipment, legal services provided by the Attorney General, and contracts with consultants and program expenses listed in section 502(b)(3)(A) of Title V shall be included among Title V program expenses.

(b1) The I & M Air Pollution Control Account is established as a nonreverting account within the Department. Fees transferred to the Division of Air Quality of the Department pursuant to G.S. 20-183.7(c)(2) shall be credited to the I & M Air Pollution Control Account and shall be applied to the costs of developing and implementing an air pollution control program for mobile sources.

(c) The Department shall make an annual report to the General Assembly and its Fiscal Research Division on the cost of the State's environmental permitting programs contained within such Department. In addition, the Department shall make an annual report to the General Assembly and its Fiscal Research Division on the cost of the Title V program. The reports shall include, but are not limited to, fees set and established under this Article, fees collected under this Article, revenues received from other sources for environmental permitting and compliance programs, changes made in the fee schedule since the last report, anticipated revenues from all other sources, interest earned and any other information requested by the General Assembly."

(d) G.S. 143-215.10G reads as rewritten:

"§ 143-215.10G. Fees for animal waste management systems.

(a) Department shall charge an annual permit fee of all animal operations that are subject to a permit under G.S. 143-215.10C for animal waste management systems according to the following schedule:

(1) For a system with a design capacity of 38,500 or more and less than 100,000 pounds steady state live weight, fifty dollars ($50.00).

(2) For a system with a design capacity of 100,000 or more and less than 800,000 pounds steady state live weight, one hundred fifty dollars ~~($100.00).~~ ($150.00).

(3) For a system with a design capacity of 800,000 pounds or more steady state live weight, ~~two~~ three hundred dollars ~~($200.00).~~ ($300.00).

(b) An application for a new permit under this section shall be accompanied by an initial application fee equal to the annual fee for that permit. If a permit is issued, the application fee will be applied as the annual fee for the first year that the permit is in effect. If the application is denied, the application fee shall not be refunded.

(c) Fees collected under this section shall be credited to the Water and Air Quality Account. The Department shall use fees collected pursuant to this section to cover the costs of administering this Part."

(e) G.S. 90A-42(a) reads as rewritten:

"(a) The Commission, in establishing procedures for implementing the requirements of this Article, shall impose the following schedule of fees:

(1) Examination including Certificate, ~~$75.00;~~ $85.00;

(2) Temporary Certificate, $200.00;

(3) Temporary Certification Renewal, $300.00;
(4) Conditional Certificate, $75.00;
(5) Repealed by Session Laws 1987, c. 582, s. 3.
(6) Reciprocity Certificate, $100.00;
(6a) Voluntary Conversion Certificate, $50.00;
(7) Annual Renewal, ~~$30.00;~~ $35.00;
(8) Replacement of Certificate, $20.00;
(9) Late Payment of Annual Renewal, $50.00 penalty in addition to all current and past due annual renewal fees plus one hundred dollars ($100.00) penalty per year for each year for which annual renewal fees were not paid prior to the current year; and
(10) Mailing List Charges -- The Commission may provide mailing lists of certified water pollution control system operators and of water pollution control system operators to persons who request such lists. The charge for such lists shall be twenty-five dollars ($25.00) for each such list provided."

(f) G.S. 90A-47.4(a) reads as rewritten:

"(a) An applicant for certification under this Part shall pay a fee of ~~ten dollars ($10.00)~~ twenty-five dollars ($25.00) for the examination and the certificate."

(g) Subsection (d) of Section 27.13 of Chapter 18 of the 1995 Session Laws (1996 Second Extra Session) is repealed.

(h) This section shall not be construed to relieve any person of the obligation to pay any fee due for any activity described in this section under the schedule of fees in effect prior to the date this section becomes effective.

(i) This section becomes effective January 1, 1999.

Requested by: Senators Hoyle, Kerr, Representatives Gray, Brawley, Dickson, C. Wilson, Gardner

INCREASE FACILITIES FEES IN THE GENERAL COURT OF JUSTICE

Section 29A.12. (a) G.S. 7A-304(a) reads as rewritten:

"(a) In every criminal case in the superior or district court, wherein the defendant is convicted, or enters a plea of guilty or nolo contendere, or when costs are assessed against the prosecuting witness, the following costs shall be assessed and collected, except that when the judgment imposes an active prison sentence, costs shall be assessed and collected only when the judgment specifically so provides, and that no costs may be assessed when a case is dismissed.

(1) For each arrest or personal service of criminal process, including citations and subpoenas, the sum of five dollars ($5.00), to be remitted to the county wherein the arrest was made or process was served, except that in those cases in which the arrest was made or process served by a law-enforcement officer employed by a municipality, the fee shall be paid to the municipality employing the officer.
(2) For the use of the courtroom and related judicial facilities, the sum of ~~six dollars ($6.00)~~ twelve dollars ($12.00) in the district court, including cases before a magistrate, and the sum of ~~twenty-four dollars ($24.00)~~ thirty dollars ($30.00) in superior court, to be remitted to the county in which the judgment is rendered. In all cases where the judgment is rendered in facilities provided by a municipality, the facilities fee shall be paid to the municipality. Funds derived from the facilities fees shall be used exclusively by the county or municipality

for providing, maintaining, and constructing adequate courtroom and related judicial facilities, including: adequate space and furniture for judges, district attorneys, public defenders, magistrates, juries, and other court related personnel; office space, furniture and vaults for the clerk; jail and juvenile detention facilities; free parking for jurors; and a law library (including books) if one has heretofore been established or if the governing body hereafter decides to establish one. In the event the funds derived from the facilities fees exceed what is needed for these purposes, the county or municipality may, with the approval of the Administrative Officer of the Courts as to the amount, use any or all of the excess to retire outstanding indebtedness incurred in the construction of the facilities, or to reimburse the county or municipality for funds expended in constructing or renovating the facilities (without incurring any indebtedness) within a period of two years before or after the date a district court is established in such county, or to supplement the operations of the General Court of Justice in the county.

(3) For the retirement and insurance benefits of both State and local government law-enforcement officers, the sum of seven dollars and twenty-five cents ($7.25), to be remitted to the State Treasurer. Fifty cents (50¢) of this sum shall be administered as is provided in Article 12C of Chapter 143 of the General Statutes. Five dollars and seventy-five cents ($5.75) of this sum shall be administered as is provided in Article 12E of Chapter 143 of the General Statutes, with one dollar and twenty-five cents ($1.25) being administered in accordance with the provisions of G.S. 143-166.50(e). One dollar ($1.00) of this sum shall be administered as is provided in Article 12F of Chapter 143 of the General Statutes.

(3a) For the supplemental pension benefits of sheriffs, the sum of seventy-five cents (75¢) to be remitted to the Department of Justice and administered under the provisions of Article 12G of Chapter 143 of the General Statutes.

(4) For support of the General Court of Justice, the sum of sixty-one dollars ($61.00) in the district court, including cases before a magistrate, and the sum of sixty-eight dollars ($68.00) in the superior court, to be remitted to the State Treasurer.

(5) For using pretrial release services, the district or superior court judge shall, upon conviction, impose a fee of fifteen dollars ($15.00) to be remitted to the county providing the pretrial release services. This cost shall be assessed and collected only if the defendant had been accepted and released to the supervision of the agency providing the pretrial release services.

(6) For support of the General Court of Justice, for the issuance by the clerk of a report to the Division of Motor Vehicles pursuant to G.S. 20-24.2, the sum of fifty dollars ($50.00), to be remitted to the State Treasurer. Upon a showing to the court that the defendant failed to appear because of an error or omission of a judicial official, a prosecutor, or a law-enforcement officer, the court shall waive this fee."

(b) G.S. 7A-305(a) reads as rewritten:

"(a) In every civil action in the superior or district court the following costs shall be assessed:

(1) For the use of the courtroom and related judicial facilities, the sum of ~~six dollars ($6.00)~~ twelve dollars ($12.00) in cases heard before a magistrate, and the sum of ~~ten dollars ($10.00)~~ sixteen dollars ($16.00) in district and superior court, to be remitted to the county in which the judgment is rendered, except that in all cases in which the judgment is rendered in facilities provided by a municipality, the facilities fee shall be paid to the municipality. Funds derived from the facilities fees shall be used in the same manner, for the same purposes, and subject to the same restrictions, as facilities fees assessed in criminal actions.

(2) For support of the General Court of Justice, the sum of fifty-five dollars ($55.00) in the superior court, and the sum of forty dollars ($40.00) in the district court except that if the case is assigned to a magistrate the sum shall be twenty-eight dollars ($28.00). Sums collected under this subsection shall be remitted to the State Treasurer."

(c) G.S. 7A-306(a) reads as rewritten:

"(a) In every special proceeding in the superior court, the following costs shall be assessed:

(1) For the use of the courtroom and related judicial facilities, the sum of ~~four dollars ($4.00)~~ ten dollars ($10.00) to be remitted to the county. Funds derived from the facilities fees shall be used in the same manner, for the same purposes, and subject to the same restrictions, as facilities fees assessed in criminal actions.

(2) For support of the General Court of Justice the sum of twenty-six dollars ($26.00). In addition, in proceedings involving land, except boundary disputes, if the fair market value of the land involved is over one hundred dollars ($100.00), there shall be an additional sum of thirty cents (30¢) per one hundred dollars ($100.00) of value, or major fraction thereof, not to exceed a maximum additional sum of two hundred dollars ($200.00). Fair market value is determined by the sale price if there is a sale, the appraiser's valuation if there is no sale, or the appraised value from the property tax records if there is neither a sale nor an appraiser's valuation. Sums collected under this subsection shall be remitted to the State Treasurer."

(d) G.S. 7A-307(a) reads as rewritten:

"(a) In the administration of the estates of decedents, minors, incompetents, of missing persons, and of trusts under wills and under powers of attorney, and in collections of personal property by affidavit, the following costs shall be assessed:

(1) For the use of the courtroom and related judicial facilities, the sum of ~~four dollars ($4.00),~~ ten dollars ($10.00), to be remitted to the county. Funds derived from the facilities fees shall be used in the same manner, for the same purposes, and subject to the same restrictions, as facilities fees assessed in criminal actions.

(2) For support of the General Court of Justice, the sum of twenty-six dollars ($26.00), plus an additional forty cents (40¢) per one hundred dollars ($100.00), or major fraction thereof, of the gross estate, not to exceed three thousand dollars ($3,000). Gross estate shall include the fair market value of all personalty when received, and all proceeds from the sale of realty coming into the hands of the fiduciary, but shall

not include the value of realty. In collections of personal property by affidavit, the fee based on the gross estate shall be computed from the information in the final affidavit of collection made pursuant to G.S. 28A-25-3 and shall be paid when that affidavit is filed. In all other cases, this fee shall be computed from the information reported in the inventory and shall be paid when the inventory is filed with the clerk. If additional gross estate, including income, comes into the hands of the fiduciary after the filing of the inventory, the fee for such additional value shall be assessed and paid upon the filing of any account or report disclosing such additional value. For each filing the minimum fee shall be ten dollars ($10.00). Sums collected under this subsection shall be remitted to the State Treasurer.

(2a) Notwithstanding subdivision (2) of this subsection, the fee of forty cents (40¢) per one hundred dollars ($100.00), or major fraction, of the gross estate, not to exceed three thousand dollars ($3,000), shall not be assessed on personalty received by a trust under a will when the estate of the decedent was administered under Chapters 28 or 28A of the General Statutes. Instead, a fee of fifteen dollars ($15.00) shall be assessed on the filing of each annual and final account.

(2b) Notwithstanding subdivisions (1) and (2) of this subsection, no costs shall be assessed when the estate is administered or settled pursuant to G.S. 28A-25-6.

(3) For probate of a will without qualification of a personal representative, the clerk shall assess a facilities fee as provided in subdivision (1) of this subsection and shall assess for support of the General Court of Justice, the sum of seventeen dollars ($17.00)."

(e) G.S. 7A-311(a) reads as rewritten:

"(a) In a civil action or special proceeding, the following fees and commissions shall be assessed, collected, and remitted to the county:

(1) a. ~~Effective October 1, 1990, for every civil action filed on or after that date, for~~ For each item of civil ~~process,~~ process served, including summons, subpoenas, notices, motions, orders, writs and ~~pleadings served,~~ pleadings, the sum of five dollars ($5.00). When two or more items of civil process are served simultaneously on one party, only one five dollar ($5.00) fee shall be charged.

b. When an item of civil process is served on two or more persons or organizations, a separate service charge shall be made for each person or organization. If the process is served, or attempted to be served, by a city policeman, the fee shall be remitted to the city rather than the county. If the process is served, or attempted to be served by the sheriff, the fee shall be remitted to the county. This subsection shall not apply to service of summons to jurors.

(2) For the seizure of personal property and its care after seizure, all necessary expenses, in addition to any fees for service of process.

(3) For all sales by the sheriff of property, either real or personal, or for funds collected by the sheriff under any judgment, five percent (5%) on the first five hundred dollars ($500.00), and two and one-half percent (2 1/2%) on all sums over five hundred dollars ($500.00), plus necessary expenses of sale. Whenever an execution is issued to the

sheriff, and subsequently while the execution is in force and outstanding, and after the sheriff has served or attempted to serve such execution, the judgment, or any part thereof, is paid directly or indirectly to the judgment creditor, the fee herein is payable to the sheriff on the amount so paid. The judgment creditor shall be responsible for collecting and paying all execution fees on amounts paid directly to the judgment creditor.

(4) For execution of a judgment of ejectment, all necessary expenses, in addition to any fees for service of process.

(5) For necessary transportation of individuals to or from State institutions or another state, the same mileage and subsistence allowances as are provided for State employees."

(f) This section becomes effective February 1, 1999, and applies to fees assessed or paid on or after that date.

Requested by: Senators Hoyle, Kerr, Representatives Gray, Brawley, Dickson, C. Wilson

AMEND CONSERVATION TAX CREDITS

Section 29A.13. (a) G.S. 105-134.6(c)(5) reads as rewritten:

"(5) The ~~fair market value, up to a maximum of four hundred thousand dollars ($400,000), of the donated property interest for which the taxpayer claims a credit for the taxable year under G.S. 105-151.12 and the~~ market price of the gleaned crop for which the taxpayer claims a credit for the taxable year under G.S. 105-151.14."

(b) G.S. 105-151.12(c) is repealed.

(c) G.S. 105-130.34(a), as amended by S.L. 1998-98, reads as rewritten:

"(a) Any corporation that makes a qualified donation of an interest in real property located in North Carolina during the taxable year that is useful for public beach access or use, public access to public waters or trails, fish and wildlife conservation, or other similar land conservation purposes is allowed a credit against the tax imposed by this Part equal to twenty-five percent (25%) of the fair market value of the donated property interest. To be eligible for this credit, the interest in real property must be donated to and accepted by either the State, a local government, or a body that is both organized to receive and administer lands for conservation purposes and qualified to receive charitable contributions pursuant to G.S. 105-130.9. Lands required to be dedicated pursuant to local governmental regulation or ordinance and dedications made to increase building density levels permitted under a regulation or ordinance are not eligible for this credit. The credit allowed under this section may not exceed ~~two hundred fifty thousand dollars ($250,000).~~ five hundred thousand dollars ($500,000). To support the credit allowed by this section, the taxpayer must file with its income tax return, for the taxable year in which the credit is claimed, a certification by the Department of Environment and Natural Resources that the property donated is suitable for one or more of the valid public benefits set forth in this subsection."

(d) G.S. 105-151.12(a), as amended by S.L. 1998-98, reads as rewritten:

"(a) A person who makes a qualified donation of an interest in real property located in North Carolina during the taxable year that is useful for (i) public beach access or use, (ii) public access to public waters or trails, (iii) fish and wildlife conservation, or (iv) other similar land conservation purposes is allowed a credit against the tax imposed by this Part equal to twenty-five percent (25%) of the fair market value of the donated property interest. To be eligible for this credit, the interest in property must be donated to and accepted by either the State, a local government, or a body that is both organized to

receive and administer lands for conservation purposes and qualified to receive charitable contributions under the Code. Lands required to be dedicated pursuant to local governmental regulation or ordinance and dedications made to increase building density levels permitted under a regulation or ordinance are not eligible for this credit. The credit allowed under this section may not exceed ~~one hundred thousand dollars ($100,000).~~ two hundred fifty thousand dollars ($250,000). To support the credit allowed by this section, the taxpayer must file with the income tax return for the taxable year in which the credit is claimed a certification by the Department of Environment and Natural Resources that the property donated is suitable for one or more of the valid public benefits set forth in this subsection."

(e) This section becomes effective for taxable years beginning on or after January 1, 1999.

Requested by: Senators Hoyle, Kerr, Representatives Gray, Brawley, Dickson, C. Wilson

REVENUE PENALTIES UNIFORM

Section 29A.14. (a) G.S. 105-109 reads as rewritten:

"§ 105-109. ~~Engaging in business without a license.~~ Obtaining license and paying tax.

(a) All State license taxes under this Article or schedule, unless otherwise provided for, shall be due and payable annually on or before the first day of July of each year, or at the date of engaging in such business, trade, employment and/or profession, or doing the act.

(b) License Required. -- Before a person may engage in a business, trade, or profession for which a license is required under this Article, the person must be licensed by the Department pursuant to G.S. 105-104. A license must be displayed conspicuously at the location of the licensed business, trade, or profession. ~~If any person, firm, or corporation shall continue the business, trade, employment, or profession, or to do the act, after the expiration of a license previously issued, without obtaining a new license, he or it shall be guilty of a Class 1 misdemeanor, which may include a fine which shall not be less than twenty percent (20%) of the tax in addition to the tax and the costs; and if such failure to apply for and obtain a new license be continued, such person, firm, or corporation shall pay additional tax of five per centum (5%) of the amount of the State license tax which was due and payable on the first day of July of the current year, in addition to the State license tax imposed by this Article, for each and every 30 days, or fraction thereof, that such State license tax remains unpaid from the date that same was due and payable, and such additional tax shall be assessed by the Secretary of Revenue and paid with the State license tax, and shall become a part of the State license tax. The penalties for delayed payment hereinbefore provided shall not impair the obligation to procure a license in advance or modify any of the pains and penalties for failure to do so.~~

~~The provisions of this section shall apply to taxes levied by the counties of the State under authority of this Article in the same manner and to the same extent as they apply to taxes levied by the State.~~

(c) ~~If any person, firm, or corporation shall commence to exercise any privilege or to promote any business, trade, employment, or profession, or to do any act requiring a State license under this Article without such State license, he or it shall be guilty of a Class 1 misdemeanor; and if such failure, neglect, or refusal to apply for and obtain such State license be continued, such person, firm, or corporation shall pay an additional tax of five per centum (5%) of the amount of such State license tax which was due and payable at the commencement of the business, trade, employment or profession, or doing the act, in addition to the State license tax imposed by this Article, for each and every 30 days, or fraction thereof, that such State license tax remains unpaid from the date that same was~~

~~due and payable, and such additional tax shall be assessed by the Secretary of Revenue and paid with the State license tax and shall become a part of the State license tax.~~

(d) Penalties. -- The penalties in G.S. 105-236 apply to this Article. The Secretary may collect a tax due under this Article in any manner allowed under Article 9 of this Chapter. ~~If any person, firm, or corporation shall fail, refuse, or neglect to make immediate payment of any taxes due and payable under this Article, additional taxes, and/or any penalties imposed pursuant thereto, upon demand, the Secretary of Revenue shall certify the same to the sheriff of the county in which such delinquent lives or has his place of business, and such sheriff shall have the power and shall levy upon any personal or real property owned by such delinquent person, firm, or corporation, and sell the same for the payment of the said tax or taxes, penalty and costs, in the same manner as provided by law for the levy and sale of property for the collection of other taxes, and if sufficient property is not found, the said sheriff or deputy commissioner shall swear out a warrant for the violation of the provisions of this Article and as provided in this Article.~~

(e) Local License Taxes. -- The penalty and collection provisions of this section apply to taxes levied by counties of the State under the authority of this Article in the same manner and to the same extent as they apply to taxes levied by the State. The provisions of this section for the collection of delinquent license taxes ~~shall~~ apply to license taxes levied by the cities and towns of this State under authority of this Article, or any other provision of law, in the same manner and to the same extent as they apply to taxes levied by the ~~State and counties of this State: Provided, the municipal officer charged with the duty of collecting municipal taxes may exercise the powers vested in the sheriff by this section.~~ State."

(b) G.S. 105-110 is repealed.

(c) G.S. 105-112 is repealed.

(d) G.S. 105-113.3(b) reads as rewritten:

"(b) Administration. -- ~~Except as provided in this section,~~ Article 9 of this Chapter applies to this Article. ~~If a person fails or refuses to pay a tax due under this Article, a penalty shall be added to the tax due in an amount equal to fifty percent (50%) of the tax due.~~"

(e) G.S. 105-113.87 reads as rewritten:

"§ 105-113.87. Refund for excise tax paid on sacramental wine.

(a) Refund Allowed. -- A person who purchases wine for the purpose stated in G.S. 18B-103(8) may obtain a refund from the Secretary for the amount of the excise tax levied under this Article. The Secretary shall make refunds annually.

(b) Application. -- An applicant for a refund authorized by this section shall file a written request with the Secretary for the refund due for the prior calendar year on or before April 15. The Secretary may by rule prescribe what information and records shall be supplied by the applicant to qualify for the refund. No refund may be made if the application is filed more than three years after the date it is due.

~~(c) Late Application. -- An application for a refund filed later than required in subsection (b) shall be accepted by the Secretary but shall be subject to the following late penalties: an application filed by May 15, twenty-five percent (25%); an application filed after May 15 but no later than October 15, fifty percent (50%). No refund may be made if the application is filed after October 15.~~"

(f) G.S. 105-130.6, as amended by S.L. 1998-98, reads as rewritten:

"§ 105-130.6. Subsidiary and affiliated corporations.

The net income of a corporation doing business in this State ~~which~~ that is a parent, ~~subsidiary~~ subsidiary, or affiliate of another corporation shall be determined by eliminating all payments to or charges by ~~a~~ the parent, ~~subsidiary~~ subsidiary, or affiliated

corporation in excess of fair compensation in all intercompany transactions of any kind whatsoever. If the Secretary ~~of Revenue shall find~~ finds as a fact that a report by ~~such~~ a corporation does not disclose the true earnings of ~~such~~ the corporation on its business carried on in this State, the Secretary may require ~~that such~~ the corporation to file a consolidated return of the entire operations of the parent corporation and of its subsidiaries and affiliates, including its own operations and ~~income, and shall~~ income. The Secretary shall determine the true amount of net income earned by ~~such~~ the corporation in this ~~State as provided herein.~~ State. The combined net income of ~~such~~ the corporation and of its parent, ~~subsidiaries~~ subsidiaries, and affiliates shall be apportioned to this State by use of the applicable apportionment formula required to be used by ~~such~~ the corporation under G.S. 105-130.4. ~~In such cases there shall be included~~ The return shall include in the apportionment formula the property, ~~payrolls~~ payrolls, and sales of all corporations for which the return is made. For the purposes of this section, a corporation ~~shall be deemed~~ is considered a subsidiary of another corporation ~~hereby designated the parent corporation,~~ when, directly or indirectly, it is subject to control by ~~such~~ the other corporation by stock ownership, interlocking directors, or by any other means whatsoever exercised by the same or associated financial interests, whether ~~such~~ the control is direct or through one or more subsidiary, affiliated, or controlled ~~corporations, and a~~ corporations. A corporation ~~shall be deemed~~ is considered an affiliate of another corporation when both are directly or indirectly controlled by the same parent corporation or by the same or associated financial interests by stock ownership, interlocking directors, or by any other means whatsoever, whether ~~such~~ the control ~~be~~ is direct or through one or more subsidiary, ~~affiliated~~ affiliated, or controlled corporations. ~~Upon such a finding by the Secretary of Revenue,~~ The Secretary may require a ~~the~~ consolidated return ~~authorized by~~ under this section ~~may be required~~ regardless of whether the parent or controlling corporation or interests or its subsidiaries or affiliates, other than the taxpayer, are or are not doing business in this State.

If ~~such~~ a consolidated return ~~is~~ required ~~and~~ by this section is not filed within 60 days after ~~demand,~~ it is demanded, ~~said parent, subsidiary or affiliated corporation shall be subject to the penalty provided in this act for failure to file return and, in addition, shall be subject to the penalty provided in G.S. 105-230, and in such event the provisions of G.S. 105-236 shall apply~~. then the corporation is subject to the penalties provided in G.S. 105-230 and G.S. 105-236.

~~Such~~ The parent, ~~subsidiary~~ subsidiary, or affiliated corporation ~~shall~~ must incorporate in its return required under this section ~~such information as the Secretary of Revenue may reasonably require for the determination of~~ information needed to determine the net income taxable under this Part, and ~~shall~~ must furnish ~~such~~ any additional information ~~as~~ the Secretary ~~may reasonably require.~~ requires. If the return does not contain the information ~~therein~~ required or ~~such~~ the additional information requested is not furnished within 30 days after ~~demand,~~ it is demanded, the corporation ~~shall be subject to a penalty of one hundred dollars ($100.00) for each day's omission, in addition~~ is subject to the ~~penalty~~ penalties provided in ~~G.S. 105-230.~~ G.S. 105-230 and G.S. 105-236.

If the Secretary finds that the determination of the income of a parent, ~~subsidiary~~ subsidiary, or affiliated corporation under a consolidated return ~~as herein provided~~ will produce a greater or lesser figure than the amount of income earned in this State, ~~he~~ the Secretary may readjust the determination by reasonable methods of computation to make it conform to the amount of income earned in this ~~State; and if~~ State. If the corporation contends the figure produced is greater than the earnings in this State, it ~~shall~~ must file with the Secretary within 30 days after notice of ~~such determination, file with the Secretary~~ the determination a statement of its objections and of an alternative method of

~~determination with such detail and proof as the Secretary may require, and the~~ determination. The Secretary ~~shall~~ must consider the ~~same~~ statement in determining the income earned in this State. ~~In making such determination, the~~ The findings and conclusions of the Secretary shall be presumed to be correct and shall not be set aside unless shown to be plainly wrong."

(g) G.S. 105-163.8 reads as rewritten:

"§ 105-163.8. Liability of withholding ~~agents and others.~~ agents.

~~(a) Withholding Agents. --~~ A withholding agent who withholds the proper amount of income taxes under this Article and pays the withheld amount to the Secretary is not liable to any person for the amount paid. A withholding agent who fails to withhold the proper amount of income taxes or pay the amount withheld to the Secretary is liable for the amount of tax not withheld or not paid. A withholding agent who fails to withhold the amount of income taxes required by this Article or who fails to pay withheld taxes by the due date for paying the taxes is subject to the penalties provided in Article 9 of this Chapter.

~~(b) Others. -- A person who has a duty to deduct, account for, or pay taxes required to be withheld under this Article and who fails to do so is liable for the amount of tax not deducted, not accounted for, or not paid.~~"

(h) G.S. 105-163.15(a) reads as rewritten:

"(a) In the case of any underpayment of the estimated tax by an individual, ~~there shall be added to the tax imposed under Article 4 for the taxable year~~ the Secretary shall assess a penalty in an amount determined by applying the applicable annual rate established under G.S. 105-241.1(i) to the amount of the underpayment for the period of the underpayment."

(i) G.S. 105-164.14(d) reads as rewritten:

"(d) ~~Penalties for~~ Late Applications. -- ~~Refunds made pursuant to applications filed after the dates specified in subsections (b) and (c) above are subject to the following penalties for late filing: applications filed within 30 days after the due date, twenty-five percent (25%); applications filed after 30 days but within three years after the due date, fifty percent (50%).~~ Refunds applied for more than three years after the due date are barred."

(j) G.S. 105-228.2(i) reads as rewritten:

"(i) ~~If any such freight line company or railroad company shall fail to pay the tax levied herein when due a penalty of ten percent (10%) thereof shall immediately accrue and thereafter one percent (1%) per month shall be added to such tax and penalty while such tax remains unpaid. All provisions of laws for enforcing payment of taxes levied in this Article shall be applicable to the gross earnings taxes of freight line companies. Any freight line company against which a tax is assessed under the provisions of this Article may appear and defend in any action brought for the collection of such tax.~~ The provisions of Article 9 of this Chapter apply to this Article."

(k) G.S. 105-231 is recodified as G.S. 105-230(b).

(l) G.S. 105-230, as amended by this section, reads as rewritten:

"§ 105-230. Charter suspended for failure to report.

If a corporation or a limited liability company fails to file any report or return or to pay any tax or fee required by this Subchapter for 90 days after it is due, the Secretary shall inform the Secretary of State of this failure. The Secretary of State shall suspend the articles of incorporation, articles of organization, or certificate of authority, as appropriate, of the corporation or limited liability company. The Secretary of State shall immediately notify by mail every domestic or foreign corporation or limited liability company so suspended of its suspension. The powers, privileges, and franchises conferred upon the

corporation or limited liability company by the articles of incorporation, the articles of organization, or the certificate of authority terminate upon suspension. ~~The Secretary of State shall immediately notify by mail every domestic or foreign corporation or limited liability company of the suspension.~~

~~(b) Penalty for exercising functions after suspension of articles or certificate.~~

~~A person who exercises or by any act attempts to exercise any powers, privileges, or franchises under articles of incorporation, articles of organization, or a certificate of authority after it has been suspended under G.S. 105-230 shall pay a penalty of not less than one hundred dollars ($100.00) nor more than one thousand dollars ($1,000), to be recovered in an action to be brought by the Secretary in the Superior Court of Wake County.~~ Any act performed or attempted to be performed during the period of suspension is invalid and of no effect."

(m) G.S. 105-236 reads as rewritten:

"§ 105-236. Penalties.

Penalties assessed by the Secretary under this Subchapter are assessed as an additional tax. Except as otherwise provided by law, and subject to the provisions of G.S. 105-237, the following penalties shall be applicable:

(1) Penalty for Bad Checks. -- When the bank upon which any uncertified check tendered to the Department of Revenue in payment of any obligation due to the Department returns the check because of insufficient funds or the nonexistence of an account of the drawer, the Secretary shall assess ~~an additional tax~~ a penalty equal to ten percent (10%) of the ~~check shall be imposed,~~ check, subject to a minimum of one dollar ($1.00) and a maximum of one thousand dollars ($1,000). This penalty does not apply if the Secretary finds that, when the check was presented for payment, the drawer of the check had sufficient funds in an account at a financial institution in this State to pay the check and, by inadvertence, the drawer of the check failed to draw the check on the account that had sufficient funds. The ~~additional tax~~ penalty imposed may not be waived or diminished by the Secretary.

(1a) Penalty for Bad Electronic Funds Transfer. -- When an electronic funds transfer cannot be completed due to insufficient funds or the nonexistence of an account of the transferor, the Secretary shall assess a penalty equal to ten percent (10%) of the amount of the transfer, subject to a minimum of one dollar ($1.00) and a maximum of one thousand dollars ($1,000). This penalty may be waived by the Secretary in accordance with G.S. 105-237.

(1b) Making Payment in Wrong Form. -- For making a payment of tax in a form other than the form required by the Secretary pursuant to G.S. 105-241(a), the Secretary shall assess a penalty equal to five percent (5%) of the amount of the tax, subject to a minimum of one dollar ($1.00) and a maximum of one thousand dollars ($1,000). This penalty may be waived by the Secretary in accordance with G.S. 105-237.

(2) Failure to Obtain a License. -- For failure to obtain a license before engaging in a business, trade or profession for which a license is required, ~~there shall be assessed an additional tax~~ the Secretary shall assess a penalty equal to five percent (5%) of the amount prescribed for the license per month or fraction thereof until paid, ~~which additional tax shall not~~ not to exceed twenty-five percent (25%) of the amount so prescribed, but in any event shall not be less than five dollars ($5.00).

(3) Failure to File Return. -- In case of failure to file any return on the date ~~prescribed therefor (determined~~ it is due, determined with regard to any extension of time for ~~filing), unless it is shown that the failure is due to reasonable cause, there shall be added to the amount required to be shown as tax on the return, as a penalty,~~ filing, the Secretary shall assess a penalty equal to five percent (5%) of the amount of the tax if the failure is for not more than one month, with an additional five percent (5%) for each additional month, or fraction thereof, during which the failure continues, not exceeding twenty-five percent (25%) in the aggregate, or five dollars ($5.00), whichever is the greater.

(4) Failure to Pay Tax When Due. -- In the case of failure to pay any tax when due, without intent to evade the tax, ~~there shall be an additional tax, as a penalty, of~~ the Secretary shall assess a penalty equal to ten percent (10%) of the ~~tax; provided,~~ tax, except that ~~such~~ the penalty shall in no event be less than five dollars ($5.00). This penalty does not apply in any of the following circumstances:

a. When the amount of tax shown as due on an amended return is paid when the return is filed.

b. When a tax due but not shown on a return is assessed by the Secretary and is paid within 30 days after the date of the proposed notice of assessment of the tax.

(5) Negligence. --

a. ~~Most cases.~~ Finding of negligence. -- For negligent failure to comply with any of the provisions to which this Article applies, or rules issued pursuant thereto, without intent to defraud, ~~there shall be assessed, as a penalty, an additional tax of~~ the Secretary shall assess a penalty equal to ten percent (10%) of the deficiency due to the negligence.

b. Large income tax deficiency. -- In the case of income tax, if a taxpayer understates ~~gross income, overstates deductions from gross income, other than personal exemptions, makes erroneous adjustments to federal taxable income, or does any combination of these, and the combined errors equal or exceed~~ taxable income, by any means, by an amount equal to twenty-five percent (25%) or more of gross income, ~~the penalty assessed shall be~~ the Secretary shall assess a penalty equal to twenty-five percent (25%) of the deficiency. For purposes of this subdivision, `gross income' means gross income as defined in section 61 of the Code. ~~Code and "deductions" means deductions allowed in arriving at federal taxable income.~~

c. ~~Large sales~~ Other large tax deficiency. -- In the case of a tax other than income tax, ~~sales and use taxes,~~ if a taxpayer understates ~~total~~ tax liability by twenty-five percent (25%) or ~~more as a result of one or more of the following reasons, the penalty assessed shall be~~ more, the Secretary shall assess a penalty equal to twenty-five percent (25%) of the deficiency. ~~total deficiency:~~

~~1. Omission or understatement of gross sales, gross receipts, or gross purchases.~~

~~2. Overstatement of exemptions or deductions.~~

~~3. Incorrect application of a lesser rate of tax.~~

d. No double penalty. -- If a penalty is assessed under subdivision (6) of this section, no additional penalty for negligence shall be assessed with respect to the same deficiency.

e. Inheritance and gift tax deficiencies. -- This subdivision does not apply to inheritance, estate, and gift tax deficiencies that are the result of valuation understatements.

(5a) Misuse of Certificate of Resale. -- For misuse of a certificate of resale by a purchaser, the Secretary shall assess ~~an additional tax, as~~ a ~~penalty, of~~ penalty equal to two hundred fifty dollars ($250.00).

(5b) Road Tax Understatement. -- If a motor carrier understates its liability for the road tax imposed by Article 36B of this Chapter by twenty-five percent (25%) or more, the Secretary shall assess the motor carrier a penalty in an amount equal to two times the amount of the deficiency.

(6) Fraud. -- If there is a deficiency or delinquency in payment of any tax because of fraud with intent to evade the tax, ~~there shall be assessed, as a penalty, an additional tax~~ the Secretary shall assess a penalty equal to fifty percent (50%) of the total deficiency.

(7) Attempt to Evade or Defeat Tax. -- Any person who willfully attempts, or any person who aids or abets any person to attempt in any manner to evade or defeat a tax or its payment, shall, in addition to other penalties provided by law, be guilty of a Class I felony which may include a fine up to twenty-five thousand dollars ($25,000).

(8) Willful Failure to Collect, Withhold, or Pay Over Tax. -- Any person required to collect, withhold, account for, and pay over any tax who willfully fails to collect or truthfully account for and pay over the tax shall, in addition to other penalties provided by law, be guilty of a Class 1 misdemeanor. Notwithstanding any other provision of law, no prosecution for a violation brought under this subdivision shall be barred before the expiration of three years after the date of the violation.

(9) Willful Failure to File Return, Supply Information, or Pay Tax. -- Any person required to pay any tax, to make a return, to keep any records, or to supply any information, who willfully fails to pay the tax, make the return, keep the records, or supply the information, at the time or times required by law, or rules issued pursuant thereto, shall, in addition to other penalties provided by law, be guilty of a Class 1 misdemeanor. Notwithstanding any other provision of law, no prosecution for a violation brought under this subdivision shall be barred before the expiration of three years after the date of the violation.

(9a) Aid or Assistance. -- Any person, pursuant to or in connection with the revenue laws, who willfully aids, assists in, procures, counsels, or advises the preparation, presentation, or filing of a return, affidavit, claim, or any other document that the person knows is fraudulent or false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of the person authorized or required to present or file the return, affidavit, claim, or other document, shall be guilty of a Class I felony which may include a fine up to ten thousand dollars ($10,000).

(10) Failure to File Informational Returns. --

~~a. For failure to file a partnership or a fiduciary informational return when the return is due to be filed, there shall be assessed as a tax against the delinquent five dollars ($5.00) per month or fraction thereof of the delinquency, this penalty, however, in the aggregate not to exceed twenty-five dollars ($25.00). When assessed against a fiduciary, the penalty shall be paid by the fiduciary and shall not be passed on to the trust or estate. No tax may be assessed against the delinquent when it is a partnership as defined under Section 6231(a)(1)(B) of the Code and no penalty could be assessed as provided by Rev. Proc. 84-35, except that for the purpose of Section 3.01 of that procedure "the Department of Revenue" is substituted for "the Internal Revenue Service".~~

b. ~~For failure to file timely statements of payments to another person with respect to wages, dividends, rents, or interest paid to that person, there shall be assessed as a tax a penalty of one dollar ($1.00) for each statement not filed on time, the aggregate of the penalties for each tax year not to exceed one hundred dollars ($100.00), and in addition thereto, if the Secretary requests the payer to file the statements and sets a date by which the statements must be filed, and~~ The Secretary may request a person who fails to file timely statements of payment to another person with respect to wages, dividends, rents, or interest paid to that person to file the statements by a certain date. If the payer fails to file the statements ~~within this time,~~ by that date, the amounts claimed on payer's income tax return as deductions for salaries and wages, or rents or interest shall be disallowed to the extent that the payer failed to comply with the Secretary's request with respect to the statements.

c. For failure to file an informational return required by Article 36C or 36D of this Chapter by the date the return is due, there shall be assessed ~~as a tax~~ a penalty of fifty dollars ($50.00).

(11) Any violation of Subchapter I, V, or VIII of this Chapter or of Article 3 of Chapter 119 of the General Statutes is considered an act committed in part at the office of the Secretary in Raleigh. The certificate of the Secretary that a tax has not been paid, a return has not been filed, or information has not been supplied, as required by law, is prima facie evidence that the tax has not been paid, the return has not been filed, or the information has not been supplied.

(12) Repealed by Session Laws 1991, c. 45, s. 27, effective April 22, 1991."

(n) G.S. 105-241.2(c) reads as rewritten:

"(c) Frivolous Petitions. -- Upon receipt of a petition requesting administrative review as provided in the preceding subsection, the Tax Review Board shall examine the petition and the records and other data transmitted by the Secretary pertaining to the matter for which review is sought, and if it ~~should appear~~ appears from ~~such~~ the records and data that the petition is frivolous or filed for the purpose of delay, the Tax Review Board shall dismiss the petition for ~~review and, in addition, is authorized, in its discretion, to impose a penalty not to exceed one hundred dollars ($100.00), which penalty shall be in addition to~~

~~the tax, penalties, interests, and costs, and shall be collected in the same manner as the principal tax liability.~~ review."

(o) G.S. 105-244 is repealed.

(p) G.S. 105-253 reads as rewritten:

"§ 105-253. Personal liability ~~of officers, trustees, or receivers.~~ when certain taxes not remitted.

(a) Any officer, trustee, or receiver of any corporation required to file a report with the Secretary ~~of Revenue~~ who has custody of funds of the corporation and who allows the funds to be paid out or distributed to the stockholders of the corporation without having remitted to the Secretary ~~of Revenue~~ any State taxes that are due ~~shall be~~ is personally liable for the payment of the ~~tax, and shall be subject to an additional penalty equal to the amount of tax due.~~ tax.

(b) Each responsible ~~corporate~~ officer is personally and individually liable for all of the following:

(1) All sales and use taxes collected by a corporation or a limited liability company upon its taxable ~~transactions of the corporation.~~ transactions.

(2) All sales and use taxes due upon taxable transactions of ~~the~~ a corporation or a limited liability company but upon which ~~the corporation~~ it failed to collect the tax, but only if the ~~responsible officer~~ person knew, or in the exercise of reasonable care should have known, that the tax was not being collected.

(3) All taxes due from ~~the~~ a corporation or a limited liability company pursuant to the provisions of Articles 36C and 36D of Subchapter V of this Chapter and all taxes payable under those Articles by ~~the corporation~~ it to a supplier for remittance to this State or another state.

(4) All income taxes required to be withheld from the wages of employees of a corporation or a limited liability company.

The liability of the responsible ~~corporate~~ officer is satisfied upon timely remittance of the tax by the ~~corporation.~~ corporation or the limited liability company. If the tax remains unpaid ~~by the corporation~~ after it is due and payable, the Secretary may assess the tax ~~against,~~ against and collect the tax ~~from,~~ from any responsible ~~corporate~~ officer in accordance with the procedures in this Article for assessing and collecting tax from a taxpayer. As used in this section, the term "responsible ~~corporate~~ officer" ~~includes~~ means the president and the treasurer of ~~the corporation~~ a corporation, the manager of a limited liability company, and any ~~other officers assigned the duty of filing tax returns and remitting taxes on behalf of the corporation.~~ officer of a corporation or member of a limited liability company who has a duty to deduct, account for, or pay taxes listed in this subsection. Any penalties that may be imposed under G.S. 105-236 and that apply to a deficiency ~~shall~~ also apply to ~~any~~ an assessment made under this section. The provisions of this Article apply to an assessment made under this section to the extent they are not inconsistent with this section.

The period of limitations for assessing a responsible ~~corporate~~ officer for unpaid taxes under this section ~~shall expire~~ expires one year after the expiration of the period of limitations for assessment against the ~~corporation.~~ corporation or limited liability company.

(c) Repealed by Session Laws 1991 (Regular Session, 1992), c. 1007, s. 15."

(q) G.S. 105-449.45(d) reads as rewritten:

"(d) Penalties. -- A motor carrier that fails to file a report under this section by the required date is subject to a penalty of ~~up to fifty dollars ($50.00) for the first failure and of up to one hundred dollars ($100.00) for a subsequent failure.~~ fifty dollars ($50.00)."

(r) G.S. 105-449.108 is amended by adding a new subsection to read:

"(d) Late Application. -- A refund applied for more than three years after the date the application is due is barred."

(s) G.S. 105-449.109 is repealed.

(t) This section becomes effective January 1, 1999.

Requested by: Senators Hoyle, Kerr, Representatives Gray, Brawley, Dickson, C. Wilson

EXTEND QUALIFIED BUSINESS CREDIT SUNSET

Section 29A.15. (a) Section 7 of Chapter 443 of the 1993 Session Laws reads as rewritten:

"Sec. 7. ~~Division V~~ Part 5 of Article 4 of Chapter 105 of the General Statutes is repealed effective for investments made on or after January 1, ~~1999.~~ 2003. ~~Division V~~ Part 5 of Article 4 of Chapter 105 of the General Statutes will remain in effect for investments made before January 1, ~~1999.~~ 2003."

(b) Section 10 of Chapter 443 of the 1993 Session Laws reads as rewritten:

"Sec. 10. Section 6 of this act is effective upon ratification. Section 7 of this act becomes effective for investments made on or after January 1, ~~1999.~~ 2003. The remainder of this act becomes effective for taxable years beginning on or after January 1, 1994.

A business registered as a qualified business venture or a qualified grantee business before January 1, 1994, retains its registration until the renewal date for the registration of that business under ~~Division V~~ Part 5 of Article 4 of Chapter 105 of the General Statutes as in effect before January 1, 1994. The Secretary of State shall not grant renewal of a registration as a qualified business venture or a qualified grantee business unless at the time of filing the renewal application, the business meets the requirements then in effect for a new registration.

Notwithstanding the provisions of G.S. 105-163.014(a), as amended by this act, a credit under ~~Division V~~ Part 5 of Article 4 of Chapter 105 of the General Statutes for an investment made before January 1, 1994, is not forfeited solely on the grounds that a sibling of the taxpayer provides services for compensation to the business in which the taxpayer invested.

Notwithstanding the provisions of G.S. 105-163.014(d), as amended by this act, a credit under ~~Division V~~ Part 5 of Article 4 of Chapter 105 of the General Statutes for an investment made before January 1, 1994, is not forfeited solely on the grounds that a redemption of the securities received in the investment is made within five years after the investment was made.

The Secretary of State may require a qualified business venture or a qualified grantee business that is unable to renew its registration after January 1, 1994, to file reports the Secretary of State considers appropriate to determine the location of the headquarters and principal business operations of the business until three years after the date of the last investment in the business that qualified for the tax credit allowed under ~~Division V~~ Part 5 of Article 4 of Chapter 105 of the General Statutes."

(c) This section is effective when it becomes law.

Requested by: Senators Hoyle, Kerr, Ballantine, Representatives Gray, Brawley, Dickson, C. Wilson

QUALIFIED BUSINESS CREDIT FOR MOVIES

Section 29A.16. (a) G.S. 105-163.014 is amended by adding a new subsection to read:

"(d1) Certain Redemptions Allowed. -- Forfeiture of a credit does not occur under this section if a qualified business venture that engages primarily in motion picture film

production makes a redemption with respect to securities received in an investment and the following conditions are met:

(1) The redemption occurred because the qualified business venture completed production of a film, sold the film, and was liquidated.

(2) Neither the qualified business venture nor a related person continues to engage in business with respect to the film produced by the qualified business venture."

(b) G.S. 105-163.014(d)(2) reads as rewritten:

"(2) ~~Within~~ Except as provided in subsection (d1) of this section, within five years after the investment was made, the qualified business venture or qualified grantee business in which the investment was made makes a redemption with respect to the securities received in the investment."

(c) G.S. 105-163.010 is amended by adding a new subdivision to read:

"(10a) Related person. -- A person described in one of the relationships set forth in section 267(b) or 707(b) of the Code."

(d) G.S. 105-163.010(14) reads as rewritten:

"(14) Subordinated debt. -- Indebtedness that ~~(i) by its terms matures five or more years after its issuance, (ii) is not secured, and (iii)~~ is not secured and is subordinated to all other indebtedness of the issuer issued or to be issued to a financial institution other than a financial institution described in subdivisions (5)(ii) through (5)(v) of this section. ~~Any~~ Except as provided in G.S. 105-163.014(d1), any portion of indebtedness that matures earlier than five years after its issuance is not subordinated debt."

(e) G.S. 105-163.013(b), as amended by S.L. 1998-98, reads as rewritten:

"(b) Qualified Business Ventures. -- In order to qualify as a qualified business venture under this Part, a business must be registered with the Securities Division of the Department of the Secretary of State. To register, the business must file with the Secretary of State an application and any supporting documents the Secretary of State may require from time to time to determine that the business meets the requirements for registration as a qualified business venture. A business meets the requirements for registration as a qualified business venture if all of the following are true as of the date the business files the required application:

(1) Repealed by Session Laws 1996, Second Extra Session, c. 14, s. 7.

(1b) Either (i) it was organized after January 1 of the calendar year in which its application is filed or (ii) during its most recent fiscal year before filing the application, it had gross revenues, as determined in accordance with generally accepted accounting principles, of five million dollars ($5,000,000) or less on a consolidated basis.

(2) Repealed by Session Laws 1996, Second Extra Session, c. 14, s. 7.

(3) It is organized to engage primarily in manufacturing, processing, warehousing, wholesaling, research and development, or a service-related industry.

(4) It does not engage as a substantial part of its business in any of the following:

a. Providing a professional service as defined in Chapter 55B of the General Statutes.

b. Construction or contracting.

c. Selling or leasing at retail.

d. The purchase, sale, or development, or purchasing, selling, or holding for investment of commercial paper, notes, other indebtedness, financial instruments, securities, or real property, or otherwise make investments.

e. Providing personal grooming or cosmetics services.

f. Offering any form of entertainment, amusement, recreation, or athletic or fitness activity for which an admission or a membership is charged.

(5) It was not formed for the primary purpose of acquiring all or part of the stock or assets of one or more existing businesses.

(6) It is not a real estate-related business.

The effective date of registration for a qualified business venture whose application is accepted for registration is ~~the filing date of its application.~~ 60 days before the date its application was filed. No credit is allowed under this Part for an investment made before the effective date of the registration or after the registration is revoked. For the purpose of this Article, if a taxpayer's investment is placed initially in escrow conditioned upon other investors' commitment of additional funds, the date of the investment is the date escrowed funds are transferred to the qualified business venture free of the condition.

To remain qualified as a qualified business venture, the business must renew its registration annually as prescribed by rule by filing a financial statement for the most recent fiscal year showing gross revenues, as determined in accordance with generally accepted accounting principles, of five million dollars ($5,000,000) or less on a consolidated basis and an application for renewal in which the business certifies the facts required in the original application.

Failure of a qualified business venture to renew its registration by the applicable deadline shall result in revocation of its registration effective as of the next day after the renewal deadline, but shall not result in forfeiture of tax credits previously allowed to taxpayers who invested in the business except as provided in G.S. 105-163.014. The Secretary of State shall send the qualified business venture notice of revocation within 60 days after the renewal deadline. A qualified business venture may apply to have its registration reinstated by the Secretary of State by filing an application for reinstatement, accompanied by the reinstatement application fee and a late filing penalty of one thousand dollars ($1,000), within 30 days after receipt of the revocation notice from the Secretary of State. A business that seeks approval of a new application for registration after its registration has been revoked must also pay a penalty of one thousand dollars ($1,000). A registration that has been reinstated is treated as if it had not been revoked.

If the gross revenues of a qualified business venture exceed five million dollars ($5,000,000) in a fiscal year, the business must notify the Secretary of State in writing of this fact by filing a financial statement showing the revenues of the business for that year."

(f) This section is effective for taxable years beginning on or after January 1, 1999.

Requested by: Senators Hoyle, Kerr, Representatives Gray, Brawley, Dickson, C. Wilson

STUDY TAXPAYER ATTORNEY FEE ISSUE

Section 29A.17. (a) The Revenue Laws Study Committee shall study whether a taxpayer should receive reimbursement of legal costs, including reasonable attorney fees, from the State when the taxpayer substantially prevails in an administrative appeal or a lawsuit with respect to the amount in controversy or with respect to the most significant issue or set of issues presented. The Committee may report its findings and

recommendations on this issue to the 1999 Regular Session of the 1999 General Assembly.

(b) This section is effective when it becomes law.

Requested by: Senators Hoyle, Kerr, Representatives Gray, Brawley, Dickson, C. Wilson

CONTINUING CARE RETIREMENT HOMES EXEMPT

Section 29A.18. (a) G.S. 105-275(32) is recodified as G.S. 105-278.6A and reads as rewritten:

"§ 105-278.6A. Qualified retirement facility.

(a) Classification. -- Real and personal property owned by a ~~home for the aged, sick, or infirm, that is exempt from tax under Article 4 of this Chapter,~~ qualified retirement facility and used in the operation of that ~~home.~~ facility is designated a special class of property under Section 2(2) of Article V of the North Carolina Constitution and shall not be listed, assessed, or taxed.

(b) Facility Defined. -- As used in this section, the term `retirement facility' means a ~~The term "home for the aged, sick, or infirm" means a self-contained~~ community that meets all of the following conditions:

(1) Its grounds and buildings are at a single site.

(2) It ~~(i)~~ is designed for elderly ~~residents; (ii)~~ residents.

(3) It includes independent living units for elderly residents.

(4) ~~operates~~ It includes a skilled nursing ~~facility, an intermediate care facility, or a home for the aged; (iii)~~ facility or an adult care facility. ~~includes residential dwelling units, recreational facilities, and service facilities; (iv) the charter of which~~

(c) Qualification. -- A retirement facility qualifies for the benefits of this section if it meets all of the following conditions:

(1) It is exempt from tax under Article 4 of this Chapter and private shareholders do not benefit from its operations.

(2) All of its revenues, less operating and capital expenses, are applied to providing uncompensated goods and services to the elderly and to the local community, or are applied to an endowment or a reserve for these purposes.

(3) Its charter provides that in the event of dissolution, its assets will revert or be conveyed to an entity that is organized exclusively for charitable, educational, scientific, or religious purposes, and ~~which qualifies as~~ is an exempt organization under ~~Section 501(c)(3) of the Internal Revenue Code of 1986;~~ section 501(c)(3) of the Code.

~~(v) is owned, operated, and managed by one of the following entities:~~

~~a. A congregation, parish, mission, synagogue, temple, or similar local unit of a church or religious body;~~

~~b. A conference, association, division, presbytery, diocese, district, synod, or similar unit of a church or religious body;~~

~~c. A Masonic organization whose property is excluded from taxation pursuant to G.S. 105-275(18); or~~

~~d. A nonprofit corporation~~

(4) Its charter or bylaws, as they existed on August 15, 1998, provide that it is governed by a board of directors or trustees at least a majority of whose members ~~elected for terms commencing on or before December 31, 1987, shall have been elected or confirmed by, and all of whose members elected for terms commencing after December 31, 1987, shall~~

~~be~~ are selected ~~by,~~ by one or more ~~entities described in A., B., or C. of this subdivision, or organized for a religious purpose as defined in G.S. 105-278.3(d)(1); and~~ nonprofit corporations that meet all of the following conditions:

a. It is exempt under section 501(c)(3) of the Code.

b. It is organized for a charitable purpose as defined in G.S. 105-278.6.

c. It is not a private foundation as defined in section 509 of the Code.

(5) ~~(vi)~~ It has an active program to generate funds through one or more sources, such as gifts, grants, trusts, bequests, endowment, or an annual giving program, to assist the ~~home~~ retirement facility in serving persons who might not be able to reside ~~at the home~~ there without financial assistance or subsidy."

(b) G.S. 105-164.14(b)(4) reads as rewritten:

"(4) ~~Homes for the aged, sick, or infirm~~ Qualified retirement facilities whose property is excluded from property tax under G.S. ~~105-275(32),~~ 105-278.6A."

(c) G.S. 105-273 is amended by adding a new subdivision to read:

"(4a) Code.--Defined in G.S. 105-228.90."

(d) The Legislative Research Commission shall conduct a comprehensive study of property tax exemptions for nonprofit institutions, including the history and evolution of such exemptions in North Carolina, the policy reasons for property tax exemptions, the effect of the exemptions on local governments and on other taxpayers, the extent to which other states provide property tax exemptions for nonprofit institutions, and any other issues it considers relevant. The Legislative Research Commission may make an interim report of its findings and recommendations on this issue to the 1999 Regular Session of the 1999 General Assembly and shall make a final report of its findings and recommendations to the 2000 Regular Session of the 1999 General Assembly. The temporary property tax exemption provided in this section shall not be considered a precedent or guideline for the purpose of the Legislative Research Commission's study or recommendations.

(e) Subsection (a) of this section is effective for taxes imposed for taxable years beginning on or after July 1, 1998. Notwithstanding the provisions of G.S. 105-282.1(a), an application for the benefit provided in subsection (a) of this section for the 1998-99 tax year is timely if it is filed on or before November 15, 1998. Subsection (a) of this section is repealed effective for taxes imposed for taxable years beginning on or after July 1, 2000. The remainder of this section is effective when it becomes law.

PART XXX. MISCELLANEOUS PROVISIONS

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford

EXECUTIVE BUDGET ACT APPLIES

Section 30. The provisions of the Executive Budget Act, Chapter 143, Article 1 of the General Statutes, are reenacted and shall remain in full force and effect and are incorporated in this act by reference.

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford

COMMITTEE REPORT

Section 30.1. (a) The Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets, dated October 26, 1998, which was distributed in the Senate and the House of Representatives and used to explain this act, shall indicate action by the General Assembly on this act and shall therefore be used to construe this act, as provided in G.S. 143-15 of the Executive Budget Act, and for these purposes shall be considered a part of this act and as such shall be printed as a part of the Session Laws.

(b) The budget enacted by the General Assembly for the maintenance of the various departments, institutions, and other spending agencies of the State for the 1998-99 fiscal year is a line item budget, in accordance with the Budget Code Structure and the State Accounting System Uniform Chart of Accounts set out in the Administrative Policies and Procedures Manual of the Office of the State Controller. This budget includes the appropriations made from all sources including the General Fund, Highway Fund, special funds, cash balances, federal receipts, and departmental receipts.

The General Assembly amended the itemized budget requests submitted to the General Assembly by the Director of the Budget, in accordance with the steps that follow and the line item detail in the budget enacted by the General Assembly may be derived accordingly:

(1) The base budget was adjusted in accordance with the base budget cuts and additions that were set out in the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets, dated October 26, 1998, together with any accompanying correction sheets.

(2) Transfers of funds supporting programs were made in accordance with the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets, dated October 26, 1998, together with any accompanying correction sheets.

The budget enacted by the General Assembly shall also be interpreted in accordance with the special provisions in this act and in accordance with other appropriate legislation.

In the event that there is a conflict between the line item budget certified by the Director of the Budget and the budget enacted by the General Assembly, the budget enacted by the General Assembly shall prevail.

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford

MOST TEXT APPLIES ONLY TO 1998-99

Section 30.2. Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 1998-99 fiscal year, the textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 1998-99 fiscal year.

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford

APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY

Section 30.3. (a) Except where expressly repealed or amended by this act, the provisions of S.L. 1997-443, S.L. 1998-1 Extra Session, S.L. 1998-9, S.L. 1998-23, S.L. 1998-153, and S.L. 1998-166, remain in effect.

(b) Notwithstanding any modifications by this act in the amounts appropriated, except where expressly repealed or amended, the limitations and directions for the 1998-99 fiscal year in S.L. 1997-443, S.L. 1998-1 Extra Session, S.L. 1998-9, S.L.

1998-23, S.L. 1998-153, and S.L. 1998-166, that applied to appropriations to particular agencies or for particular purposes apply to the newly enacted appropriations and budget reductions of this act for those same particular purposes.

(c) Section 19 of S.L. 1998-23 reads as rewritten:

"Section 19. Except as otherwise provided, this act becomes effective July 1, ~~1998, and expires on the effective date of the Current Operations Appropriations and Capital Improvements Appropriations Act of 1998.~~ 1998."

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford

EFFECT OF HEADINGS

Section 30.4. The headings to the parts and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act, except for effective dates referring to a Part.

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford

SEVERABILITY CLAUSE

Section 30.5. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford

EFFECTIVE DATE

Section 30.6. Except as otherwise provided, this act becomes effective July 1, 1998.

The Conference Report is ordered placed on the Calendar for tomorrow, Tuesday, October 27, for adoption, upon second reading.

On motion of Senator Rand, seconded by all Members of the Senate, the Senate adjourns at 7:30 P.M. in memory of Senator Basnight's mother, Mrs. Cora Mae Daniels Basnight, and subject to receipt of conference reports and committee reports, to meet tomorrow, Tuesday, October 27, at 1:00 P.M.

TWO HUNDRED TWENTY-SECOND DAY

Senate Chamber
Tuesday, October 27, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Frank Ballance, Deputy President *Pro Tempore*, who presides in the absence of the Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Dear Lord, on this day when the budget will be considered, we're reminded of the

story about a former perennial member of this General Assembly.

"When asked the secret of his immunity to defeat at the polls, the Senator is reported to have said, 'I advocate all appropriations which are sought and oppose all taxes which are proposed.'

"The members of this General Assembly know that it's not that easy.

"Bless their considerations today and thank You, Oh God, for the hard work that's gone into getting this budget to the floor of the Senate. Amen."

With unanimous consent, the Deputy President *Pro Tempore* grants leaves of absence for today to Senator Basnight and Senator Gulley.

Senator Rand announces the Journal of yesterday, Monday, October 26, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

REPORTS OF COMMITTEES

Bills are reported from standing committees, read by their titles, together with the reports accompanying them, and take their place on the Calendar, as follows:

By Senator Kerr for the **Finance Committee**:

H.B. 1527, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF YAUPON BEACH TO MAKE SPECIAL ASSESSMENTS FOR THE INSTALLATION OF UTILITIES UNDERGROUND, with a favorable report.

With unanimous consent, on motion of Senator Kerr, the rules are suspended and the bill is placed on the Calendar for today, upon second reading.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1528 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF LONG BEACH TO LEVY AN ADDITIONAL TWO PERCENT OCCUPANCY TAX TO BE USED FOR BEACH RENOURISHMENT AND PROTECTION AND TO AUTHORIZE THE TOWN OF NORTH TOPSAIL BEACH TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX, upon second reading.

With unanimous consent, on motion of Senator Kerr, the Senate Committee Substitute bill is withdrawn from today's Calendar and is re-referred to the **Finance Committee**.

REPORTS OF COMMITTEES *(Continued)*

By Senator Albertson for the **Agriculture/Environment/Natural Resources Committee**:

H.B. 1402 (Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO DISAPPROVE 15A NCAC 2B.0233 (THE NEUSE RIVER NUTRIENT SENSITIVE WATERS MANAGEMENT STRATEGY) AS A PERMANENT RULE, TO CONTINUE 15A NCAC 2B.0233 IN EFFECT AS A TEMPORARY RULE, TO SPECIFY HOW THE

TEMPORARY RULE IS TO BE IMPLEMENTED, TO REQUIRE THE ENVIRONMENTAL MANAGEMENT COMMISSION (EMC) TO ADOPT RULES TO PROVIDE ALTERNATIVES TO MAINTAINING RIPARIAN BUFFERS AND TO ESTABLISH COMPENSATORY MITIGATION FEES, TO ESTABLISH THE RIPARIAN BUFFER RESTORATION FUND, TO REQUIRE THE EMC TO ADOPT RULES TO PROVIDE FOR DELEGATION OF THE RIPARIAN BUFFER PROGRAM TO UNITS OF LOCAL GOVERNMENT THAT SEEK SUCH DELEGATION, TO RECOGNIZE VESTED DEVELOPMENT RIGHTS, TO REQUIRE THE EMC TO REVISE THE TEMPORARY RULE CONTINUED IN EFFECT BY THIS ACT AND TO ADOPT A REVISED PERMANENT RULE WITH THE ASSISTANCE OF A STAKEHOLDER ADVISORY COMMITTEE, TO PROVIDE THAT EROSION CONTROL PLANS WILL BE CONSISTENT WITH RIPARIAN BUFFER REQUIREMENTS, TO REQUIRE THE EMC TO ESTABLISH A RIPARIAN BUFFER MAINTENANCE AND RESTORATION GOAL, TO AUTHORIZE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO ACCEPT DONATIONS OF REAL PROPERTY, TO PROVIDE FOR PERIODIC REVIEW OF THE IMPLEMENTATION OF THE NEUSE RIVER NUTRIENT SENSITIVE WATERS MANAGEMENT STRATEGY AND REPORTS TO THE ENVIRONMENTAL REVIEW COMMISSION, AND TO AUTHORIZE THE EMC TO ADOPT TEMPORARY RULES TO IMPLEMENT THIS ACT, with an unfavorable report as to Committee Substitute bill No. 2, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 2433, which changes the title, upon concurrence to read **H.B. 1402** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DISAPPROVE 15A NCAC 2B.0233 (THE NEUSE RIVER NUTRIENT SENSITIVE WATERS MANAGEMENT STRATEGY) AS A PERMANENT RULE, TO CONTINUE 15 A NCAC 2B.0233 IN EFFECT AS A TEMPORARY RULE, TO SPECIFY HOW THE TEMPORARY RULE IS TO BE IMPLEMENTED, TO REQUIRE THE ENVIRONMENTAL MANAGEMENT COMMISSION (EMC) TO ADOPT RULES TO PROVIDE ALTERNATIVES TO MAINTAINING RIPARIAN BUFFERS AND TO ESTABLISH COMPENSATORY MITIGATION FEES, TO ESTABLISH THE RIPARIAN BUFFER RESTORATION FUND, TO REQUIRE THE EMC TO ADOPT RULES TO PROVIDE FOR DELEGATION OF THE RIPARIAN BUFFER PROGRAM TO UNITS OF LOCAL GOVERNMENT THAT SEEK SUCH DELEGATION, TO RECOGNIZE VESTED DEVELOPMENT RIGHTS, TO REQUIRE THE EMC TO REVISE THE TEMPORARY RULE CONTINUED IN EFFECT BY THIS ACT AND TO ADOPT A REVISED PERMANENT RULE WITH THE ASSISTANCE OF A STAKEHOLDER ADVISORY COMMITTEE, TO PROVIDE THAT EROSION CONTROL PLANS WILL BE CONSISTENT WITH RIPARIAN BUFFER REQUIREMENTS, TO REQUIRE THE EMC TO ESTABLISH A RIPARIAN BUFFER MAINTENANCE AND RESTORATION GOAL, TO AUTHORIZE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO ACCEPT DONATIONS OF REAL PROPERTY, TO PROVIDE FOR PERIODIC REVIEW OF THE IMPLEMENTATION OF THE NEUSE RIVER NUTRIENT SENSITIVE WATERS MANAGEMENT STRATEGY AND REPORTS TO THE ENVIRONMENTAL REVIEW COMMISSION, AND TO AUTHORIZE THE EMC TO ADOPT TEMPORARY RULES TO IMPLEMENT PART I OF THIS ACT; TO AUTHORIZE TEMPORARY RULES GOVERNING COASTAL ENERGY FACILITIES; TO PROVIDE THAT FEDERAL CONSERVATION RESERVE ENHANCEMENT PROGRAM OR OTHER AVAILABLE FUNDS MAY BE

USED TO PAY ASSISTED FARMER'S SHARE OF THE COST OF CERTAIN PRACTICES UNDER STATE'S AGRICULTURE COST SHARE PROGRAM FOR NONPOINT SOURCE POLLUTION CONTROL; AND TO REVISE REPORTING REQUIREMENTS, is adopted and engrossed.

On motion of Senator Albertson, the Senate Committee Substitute bill is re-referred to the **Finance Committee**.

H.B. 1472 (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW STATE AGENCIES TO RETAIN RECEIPTS FROM THE SALE OF RECYCLABLE MATERIALS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, with an unfavorable report as to Committee Substitute bill, but favorable as to Senate Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill 1624, which changes the title, upon concurrence, to read **H.B. 1472** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW STATE AGENCIES TO RETAIN RECEIPTS FROM THE SALE OF RECYCLABLE MATERIALS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, AND TO CREATE THE COMMISSION ON SMALL FAMILY FARM PRESERVATION, is adopted and engrossed.

With unanimous consent, on motion of Senator Albertson, the rules are suspended and the Senate Committee Substitute bill is placed on the Calendar for today, upon second reading.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

H.B. 74, AN ACT TO CREATE MEDICARE PROVIDER SPONSORED ORGANIZATION LICENSING.

H.B. 926, AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS.

The Enrolling Clerk reports the following bills duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.B. 1629, AN ACT TO REMOVE AN AREA FROM THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, TO ANNEX AN AREA AS DESCRIBED INTO THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, AND GIVE ADDITIONAL AUTHORITY TO THAT CITY TO MAKE VOLUNTARY SATELLITE ANNEXATIONS.

S.B. 1424, AN ACT TO PROVIDE THAT CABARRUS MEMORIAL HOSPITAL MAY AWARD A BACCALAUREATE DEGREE TO GRADUATES OF ITS NURSING AND ALLIED HEALTH SCIENCES PROGRAMS AS APPROPRIATE.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the

following Chapter Numbers, and presented to the Office of the Secretary of State:

S.B. 801, AN ACT TO ESTABLISH THE NORTH CAROLINA PLANNED COMMUNITY ACT. (Became law upon approval of the Governor, October 26, 1998 - S.L. 1998-199.)

S.B. 666, AN ACT CONCERNING SATELLITE ANNEXATIONS BY THE CITY OF RALEIGH, PROVIDING THAT THE CITY OF RALEIGH MAY BY RESOLUTION DEEM THE CREATION OF A SELF-FUNDED RISK PROGRAM AS THE PURCHASE OF INSURANCE FOR THE PURPOSE OF WAIVING GOVERNMENTAL IMMUNITY, AND TO ANNEX AN AREA TO THE VILLAGE OF PINEHURST. (Became law upon ratification, October 26, 1998 - S.L. 1998-200.)

S.B. 1312, AN ACT TO ALLOW CERTAIN COUNTIES TO ACQUIRE PROPERTY FOR USE BY THEIR COUNTY BOARDS OF EDUCATION. (Became law upon ratification, October 26, 1998 - S.L. 1998-201.)

CALENDAR *(Continued)*

S.B. 1366 (Conference Report), A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE, for adoption, upon second reading.

Upon the appearance of Senator Gulley in the Chamber, the Chair acknowledges his presence and the leave of absence granted previously is withdrawn.

Senator Ballance, Deputy President Pro Tempore, relinquishes the gavel to the President of the Senate, Lieutenant Governor Wicker, who presides.

On motion of Senator Plyler, the Senate adopts the Conference Report on its second reading by roll-call vote, ayes 49, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—49.

Voting in the negative: None.

The Conference Report remains on the Calendar for tomorrow, Wednesday, October 28, for adoption, upon third reading.

The Senate recesses at 2:00 P.M. to reconvene at 2:30 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Frank Ballance, Deputy President *Pro Tempore.*

PERSONAL PRIVILEGE

Senator Dalton rises to a point of personal privilege, and offers remarks of appreciation to his Clerk, Janet Beason. With unanimous consent, on motion of Senator

Kinnaird, the remarks of Senator Dalton are spread upon the Journal as follows:

"Thank you Mr. President, members of the Senate. It is with regret but with great appreciation that I announce that my staff person, Janet Beason, is retiring after eighteen years of service to the General Assembly. Certainly we will miss her. Two years ago, I was very fortunate to receive a telephone call from someone who said I should employee Janet Beason. I told them I was entirely new at this and I needed somebody good and they told me that she was the best and indeed she is. I called Janet after that and despite the fact that she told me her mother's maiden name was Dalton, I hired her anyway. I have never regretted that. She is very professional, very pleasant, persistent when she needs to be. My constituents love her and often times they would rather talk to her than talk to me. She is a tremendous asset. I will never forget her friendship or the friendship of her family. I'm very sorry she is retiring but I am thankful I had the opportunity to work with her. I think she and her entire family are very, very special and certainly we will miss her. Thank you."

CALENDAR *(Continued)*

S.B. 1124 (Conference Report), A BILL TO BE ENTITLED AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO EMPLOY TEACHERS WHO ARE LEGALLY CERTIFICATED IN ANOTHER STATE EVEN THOUGH THEY MAY NOT BE CERTIFICATED IN NORTH CAROLINA, AND TO PROVIDE AN ALTERNATIVE METHOD FOR LOCAL BOARDS TO HIRE LATERAL ENTRY TEACHERS, for adoption.

On motion of Senator Hartsell, the Senate adopts the Conference Report (42-0).

Pursuant to the House having adopted the Conference Report on October 26, the Chair orders the bill enrolled and sent to the Governor.

H.B. 1527, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF YAUPON BEACH TO MAKE SPECIAL ASSESSMENTS FOR THE INSTALLATION OF UTILITIES UNDERGROUND, upon second reading.

The bill passes its second reading by roll-call vote, ayes 44, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Ballantine, Blust, Carpenter, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Soles, Webster, Weinstein, Wellons, and Winner—44.

Voting in the negative: None.

The bill is ordered placed on the Calendar for tomorrow, Wednesday, October 28, upon third reading.

H.B. 1472 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW STATE AGENCIES TO RETAIN RECEIPTS FROM THE SALE OF RECYCLABLE MATERIALS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, AND TO CREATE THE COMMISSION ON SMALL FAMILY FARM PRESERVATION, upon second reading.

Senator Rand offers Amendment No. 1 which is adopted (44-0), and changes the title to read, **H.B. 1472** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO ALLOW STATE AGENCIES TO RETAIN RECEIPTS FROM THE SALE OF RECYCLABLE MATERIALS, AS RECOMMENDED BY THE ENVIRONMENTAL

REVIEW COMMISSION, TO CREATE THE COMMISSION ON SMALL FAMILY FARM PRESERVATION AND TO PROVIDE THAT THE DIRECTOR OF THE BUDGET MAY IDENTIFY FUNDS TO MATCH GRANT FUNDS FOR THE CENTER FOR COMMUNITY SELF-HELP.

The Senate Committee Substitute bill, as amended, passes its second (44-0) and third readings and is ordered engrossed and sent, by special messenger, to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

REPORTS OF COMMITTEES *(Continued)*

By Senator Hoyle for the **Finance Committee**:

H.B. 1402 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DISAPPROVE 15A NCAC 2B.0233 (THE NEUSE RIVER NUTRIENT SENSITIVE WATERS MANAGEMENT STRATEGY) AS A PERMANENT RULE, TO CONTINUE 15 A NCAC 2B.0233 IN EFFECT AS A TEMPORARY RULE, TO SPECIFY HOW THE TEMPORARY RULE IS TO BE IMPLEMENTED, TO REQUIRE THE ENVIRONMENTAL MANAGEMENT COMMISSION (EMC) TO ADOPT RULES TO PROVIDE ALTERNATIVES TO MAINTAINING RIPARIAN BUFFERS AND TO ESTABLISH COMPENSATORY MITIGATION FEES, TO ESTABLISH THE RIPARIAN BUFFER RESTORATION FUND, TO REQUIRE THE EMC TO ADOPT RULES TO PROVIDE FOR DELEGATION OF THE RIPARIAN BUFFER PROGRAM TO UNITS OF LOCAL GOVERNMENT THAT SEEK SUCH DELEGATION, TO RECOGNIZE VESTED DEVELOPMENT RIGHTS, TO REQUIRE THE EMC TO REVISE THE TEMPORARY RULE CONTINUED IN EFFECT BY THIS ACT AND TO ADOPT A REVISED PERMANENT RULE WITH THE ASSISTANCE OF A STAKEHOLDER ADVISORY COMMITTEE, TO PROVIDE THAT EROSION CONTROL PLANS WILL BE CONSISTENT WITH RIPARIAN BUFFER REQUIREMENTS, TO REQUIRE THE EMC TO ESTABLISH A RIPARIAN BUFFER MAINTENANCE AND RESTORATION GOAL, TO AUTHORIZE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO ACCEPT DONATIONS OF REAL PROPERTY, TO PROVIDE FOR PERIODIC REVIEW OF THE IMPLEMENTATION OF THE NEUSE RIVER NUTRIENT SENSITIVE WATERS MANAGEMENT STRATEGY AND REPORTS TO THE ENVIRONMENTAL REVIEW COMMISSION, AND TO AUTHORIZE THE EMC TO ADOPT TEMPORARY RULES TO IMPLEMENT PART I OF THIS ACT; TO AUTHORIZE TEMPORARY RULES GOVERNING COASTAL ENERGY FACILITIES; TO PROVIDE THAT FEDERAL CONSERVATION RESERVE ENHANCEMENT PROGRAM OR OTHER AVAILABLE FUNDS MAY BE USED TO PAY ASSISTED FARMER'S SHARE OF THE COST OF CERTAIN PRACTICES UNDER STATE'S AGRICULTURE COST SHARE PROGRAM FOR NONPOINT SOURCE POLLUTION CONTROL; AND TO REVISE REPORTING REQUIREMENTS, with a favorable report.

With unanimous consent, upon motion of Senator Hoyle, the rules are suspended and the Senate Committee Substitute bill is placed on the Calendar for immediate consideration.

The Deputy President Pro Tempore grants a leave of absence for the remainder of today's Session to Senator Page.

The Senate Committee Substitute bill passes its second reading by roll-call vote, ayes 46, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Webster, Weinstein, Wellons, and Winner—46.

Voting in the negative: None.

The Senate Committee Substitute bill is ordered placed on the Calendar for tomorrow, Wednesday, October 28, upon third reading.

CONFERENCE REPORT

S.B. 916

Senator Kerr for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **S.B. 916** (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO REWRITE THE LAWS REGULATING COSMETIC ART AND TO REGULATE THE PRACTICE OF MASSAGE AND BODYWORK THERAPY, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 916, A BILL TO BE ENTITLED AN ACT TO REWRITE THE LAWS REGULATING COSMETIC ART AND TO REGULATE THE PRACTICE OF MASSAGE AND BODYWORK THERAPY, Fourth Edition Engrossed 9/16/98, submit the following report:

The Senate and House agree to the following amendments to the House Committee Substitute, Fourth Edition Engrossed 9/16/98, and the Senate concurs in the House Committee Substitute as amended:

on page 18, line 9, delete the word "One" and substitute the word "Two";

on page 18, line 11, delete the word "one" and substitute the word "two";
on page 18, line 13, delete the word "three" and substitute the word "one";

on page 18, between lines 14 and 15, insert between the those lines the following:
"(2) One member shall be a physician licensed pursuant to Article 1 of Chapter 90 of the General Statutes. The appointment shall be made by the Governor and may be made from a list provided by the North Carolina Medical Society."

on page 18, lines 15-22, rewrite those lines to read as follows:
"(3) One member shall be a member of the general public who shall not be licensed under Chapter 90 of the General Statutes or the spouse of a person who is so licensed, or have any financial interest, directly or indirectly, in the profession regulated under this Article. The appointment shall be made by the Governor."

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: Oct. 26, 1998.

S/John H. Kerr, III	S/Debbie Clary
S/John H. Carrington	Charlotte Gardner
S/Betsy L. Cochrane	S/Richard T. Morgan
Wib Gulley	S/Wilma Sherrill
S/David Hoyle	S/Rex L. Baker
Conferees for the Senate	*Conferees for the House of Representatives*

With unanimous consent, on motion of Senator Kerr, the rules are suspended and the Conference Report is placed on the Calendar for immediate consideration.

On motion of Senator Kerr, the Senate adopts the Conference Report (42-3).

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 916 House of Representatives
October 27, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House of Representatives has adopted the report of the Conferees for House Committee Substitute on SB 916, A BILL TO BE ENTITLED AN ACT TO REWRITE THE LAWS REGULATING COSMETIC ART AND TO REGULATE THE PRACTICE OF MASSAGE AND BODYWORK THERAPY, to the end that when a similar action has been taken on the part of the Senate, you may order the bill enrolled.

Respectfully,
S/Denise Weeks
Principal Clerk

Pursuant to the Senate having adopted the Conference Report, the Chair orders the bill enrolled and sent to the Governor.

REPORTS OF COMMITTEES *(Continued)*

By Senator Hoyle for the **Finance Committee**:

H.B. 1528 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF LONG BEACH TO LEVY AN ADDITIONAL TWO PERCENT OCCUPANCY TAX TO BE USED FOR BEACH RENOURISHMENT AND PROTECTION AND TO AUTHORIZE THE TOWN OF NORTH TOPSAIL BEACH TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX, with an

unfavorable report as to Senate Committee Substitute bill No. 1, but favorable as to Senate Committee Substitute bill No. 2.

Pursuant to Rule 45.1, the proposed Senate Committee Substitute bill No. 2, 1625, which changes the title, upon concurrence, to read **H.B. 1528** (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF LONG BEACH TO LEVY AN ADDITIONAL TWO PERCENT OCCUPANCY TAX TO BE USED FOR BEACH RENOURISHMENT AND PROTECTION, is adopted and engrossed.

With unanimous consent, on motion of Senator Hoyle, the rules are suspended and the Senate Committee Substitute bill No. 2 is placed on the Calendar for immediate consideration.

The Senate Committee Substitute bill No. 2 passes its second reading by roll-call vote, ayes 37, noes 8, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Carrington, Cooper, Dalton, Dannelly, Foxx, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Weinstein, Wellons, and Winner—37.

Voting in the negative: Senators Ballantine, Carpenter, Clark, Cochrane, East, Forrester, Garwood, Webster—8.

The Senate Committee Substitute bill No. 2 is ordered placed on the Calendar for tomorrow, Wednesday, October 28, upon third reading.

REPORT OF COMMITTEES *(Continued)*

By Senator Hoyle for the **Finance Committee**:

H.B. 1401, A BILL TO BE ENTITLED AN ACT TO ADJUST THE BOUNDARIES OF THE TOWN OF PLEASANT GARDEN TO INCLUDE THE ENTIRE RIGHT-OF-WAY OF CERTAIN ROADS, with a favorable report.

With unanimous consent, on motion of Senator Hoyle, the rules are suspended and the bill is placed on the Calendar for immediate consideration, upon second reading.

The bill passes its second reading by roll-call vote, ayes 40, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Ballance, Ballantine, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, East, Forrester, Foxx, Garwood, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Moore, Odom, Phillips, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Webster, Weinstein, Wellons, and Winner—40.

Voting in the negative: None.

The bill is ordered placed on the Calendar for tomorrow, Wednesday, October 28, upon third reading.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

H.B. 1448, AN ACT TO AMEND THE FISHERIES REFORM ACT OF 1997 AND RELATED MARINE FISHERIES LAWS AND TO RECOGNIZE THE COMMON

LAW RIGHT OF THE PUBLIC TO THE CUSTOMARY FREE USE AND ENJOYMENT OF THE OCEAN BEACHES.

H.B. 1720, AN ACT TO AMEND THE GENERAL STATUTES PERTAINING TO CUSTODY OF ABUSED AND NEGLECTED JUVENILES AND JUVENILES PLACED FOR ADOPTION IN CONFORMANCE WITH FEDERAL ADOPTION AND SAFE FAMILIES ACT REQUIREMENTS, AND TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY CHANGES TO THE JUVENILE JUSTICE SYSTEM PERTAINING TO CHILD ABUSE, NEGLECT, AND DEPENDENCY.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A special message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill for concurrence is presented to the Senate, read, and disposed of, as follows:

S.B. 1125 (House Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO CLARIFY THAT THE PRESIDENT PRO TEMPORE OF THE SENATE APPOINTS ONE COCHAIR OF THE SCHOOL TECHNOLOGY COMMISSION; TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO MAKE ABC'S AWARDS NO LATER THAN THE SECOND REGULAR TEACHER PAYROLL; TO REQUIRE ABC'S AWARDS TO GO ONLY FOR DIRECT AWARDS TO CERTIFIED PERSONNEL AND TEACHER ASSISTANTS; TO CLARIFY THAT THE SUPERINTENDENT OR HIS DESIGNEE DEVELOPS THE SCHOOL BUS ASSIGNMENT PLAN; TO EXEMPT FROM THE SCHOOL ADMINISTRATOR EXAM INDIVIDUALS WHO OBTAINED OR RENEWED A SCHOOL ADMINISTRATOR/ SUPERVISOR CERTIFICATE DURING THE FIVE YEARS BEFORE JANUARY 1, 1998; TO AUTHORIZE THE STATE BOARD OF EDUCATION TO ADOPT POLICIES GOVERNING THE REQUIREMENTS FOR THE CERTIFICATION OF INDIVIDUALS WHO ARE CERTIFIED IN ANOTHER STATE AS SCHOOL ADMINISTRATORS; TO MOVE THE COMPETENCY TEST FROM TENTH TO NINTH GRADE; TO CLARIFY THAT THE SUPERINTENDENT MAKES DECISIONS CONCERNING SUSPENSION OR EXPULSION OF STUDENTS; TO CLARIFY THAT SUPERINTENDENTS MUST KEEP DATA ON STUDENTS WHO ARE SUSPENDED MORE THAN TEN DAYS; TO REQUIRE THE PROVISION OF REMEDIAL ASSISTANCE IN NINTH GRADE TO STUDENTS WHO FAIL TO PASS THE EIGHTH GRADE END-OF-GRADE TESTS; TO PROHIBIT PRINCIPALS OR THEIR DESIGNEES FROM WITHHOLDING A STUDENT RECORD WHEN A STUDENT TRANSFERS TO ANOTHER SCHOOL EXCEPT IN ACCORDANCE WITH FEDERAL LAW; TO AMEND THE EXCELLENT SCHOOLS ACT TO CLARIFY THAT ACTION PLANS ARE REQUIRED FOR CERTIFIED EMPLOYEES IN LOW-PERFORMING SCHOOLS WHEN THEY RECEIVE AN UNSATISFACTORY EVALUATION RELATED TO THEIR INSTRUCTIONAL DUTIES AND TO REQUIRE LOCAL BOARDS TO ADOPT POLICIES THAT REQUIRE ACTION PLANS FOR CERTIFIED EMPLOYEES IN OTHER SCHOOLS WHO RECEIVE AN UNSATISFACTORY EVALUATION; TO ALLOW THE INITIAL CONTRACT FOR A SCHOOL ADMINISTRATOR TO BE FOR A TERM OF LESS THAN TWELVE MONTHS; TO DIRECT THE STATE BOARD OF EDUCATION TO EVALUATE THE SAFE

SCHOOLS BONUS FOR PRINCIPALS AND ASSISTANT PRINCIPALS; TO DIRECT THE STATE BOARD OF EDUCATION AND UNC BOARD OF GOVERNORS TO DEVELOP A PROPOSAL FOR A STATEWIDE LATERAL ENTRY TEACHER LICENSURE PROGRAM; AND TO ALLOW CASWELL COUNTY TO ACQUIRE AND IMPROVE PROPERTY FOR USE BY THE COUNTY BOARD OF EDUCATION, for concurrence in House Committee Substitute No. 3.

Referred to **Rules and Operations of the Senate Committee.**

The Senate recesses at 3:40 P.M. for the purpose of a **Rules and Operations of the Senate Committee** meeting to reconvene at 3:50 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Frank Ballance, Deputy President *Pro Tempore.*

REPORTS OF COMMITTEES *(Continued)*

By Senator Rand for the **Rules and Operations of the Senate Committee:**

S.B. 1428, A BILL TO BE ENTITLED AN ACT TO APPOINT PERSONS TO VARIOUS PUBLIC OFFICES UPON THE RECOMMENDATION OF THE PRESIDENT PRO TEMPORE OF THE SENATE, with an unfavorable report as to bill, but favorable as to Committee Substitute bill.

Pursuant to Rule 45.1, the proposed Committee Substitute bill 4724, which changes the title to read **S.B. 1428** (Committee Substitute), A BILL TO BE ENTITLED AN ACT TO APPOINT PERSONS TO VARIOUS PUBLIC OFFICES UPON THE RECOMMENDATION OF THE PRESIDENT PRO TEMPORE OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND TO EXPAND THE STRUCTURAL PEST CONTROL COMMITTEE, is adopted and engrossed.

With unanimous consent, on motion of Senator Rand, the rules are suspended and the Committee Substitute bill is placed on the Calendar for immediate consideration.

Upon the appearance of Senator Page in the Chamber, the Chair acknowledges his presence and the leave of absence granted previously is withdrawn.

The Committee Substitute bill passes its second (39-0) and third readings and is ordered engrossed and sent by special messenger to the House of Representatives.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A special message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill for concurrence is presented to the Senate, read, and disposed of, as follows:

S.B. 304 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DISAPPROVE THE CHILD CARE RULES ON PLAYGROUND EQUIPMENT AND CERTIFICATION THAT WERE TO BECOME EFFECTIVE JULY 1, 1998, for concurrence in the House Committee Substitute.

Referred to Ways and Means Committee.

COMMITTEE REFERRAL RECALL

S.B. 1125 (House Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO CLARIFY THAT THE PRESIDENT PRO TEMPORE OF THE SENATE APPOINTS ONE COCHAIR OF THE SCHOOL TECHNOLOGY COMMISSION; TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO MAKE ABC'S AWARDS NO LATER THAN THE SECOND REGULAR TEACHER PAYROLL; TO REQUIRE ABC'S AWARDS TO GO ONLY FOR DIRECT AWARDS TO CERTIFIED PERSONNEL AND TEACHER ASSISTANTS; TO CLARIFY THAT THE SUPERINTENDENT OR HIS DESIGNEE DEVELOPS THE SCHOOL BUS ASSIGNMENT PLAN; TO EXEMPT FROM THE SCHOOL ADMINISTRATOR EXAM INDIVIDUALS WHO OBTAINED OR RENEWED A SCHOOL ADMINISTRATOR/ SUPERVISOR CERTIFICATE DURING THE FIVE YEARS BEFORE JANUARY 1, 1998; TO AUTHORIZE THE STATE BOARD OF EDUCATION TO ADOPT POLICIES GOVERNING THE REQUIREMENTS FOR THE CERTIFICATION OF INDIVIDUALS WHO ARE CERTIFIED IN ANOTHER STATE AS SCHOOL ADMINISTRATORS; TO MOVE THE COMPETENCY TEST FROM TENTH TO NINTH GRADE; TO CLARIFY THAT THE SUPERINTENDENT MAKES DECISIONS CONCERNING SUSPENSION OR EXPULSION OF STUDENTS; TO CLARIFY THAT SUPERINTENDENTS MUST KEEP DATA ON STUDENTS WHO ARE SUSPENDED MORE THAN TEN DAYS; TO REQUIRE THE PROVISION OF REMEDIAL ASSISTANCE IN NINTH GRADE TO STUDENTS WHO FAIL TO PASS THE EIGHTH GRADE END-OF-GRADE TESTS; TO PROHIBIT PRINCIPALS OR THEIR DESIGNEES FROM WITHHOLDING A STUDENT RECORD WHEN A STUDENT TRANSFERS TO ANOTHER SCHOOL EXCEPT IN ACCORDANCE WITH FEDERAL LAW; TO AMEND THE EXCELLENT SCHOOLS ACT TO CLARIFY THAT ACTION PLANS ARE REQUIRED FOR CERTIFIED EMPLOYEES IN LOW-PERFORMING SCHOOLS WHEN THEY RECEIVE AN UNSATISFACTORY EVALUATION RELATED TO THEIR INSTRUCTIONAL DUTIES AND TO REQUIRE LOCAL BOARDS TO ADOPT POLICIES THAT REQUIRE ACTION PLANS FOR CERTIFIED EMPLOYEES IN OTHER SCHOOLS WHO RECEIVE AN UNSATISFACTORY EVALUATION; TO ALLOW THE INITIAL CONTRACT FOR A SCHOOL ADMINISTRATOR TO BE FOR A TERM OF LESS THAN TWELVE MONTHS; TO DIRECT THE STATE BOARD OF EDUCATION TO EVALUATE THE SAFE SCHOOLS BONUS FOR PRINCIPALS AND ASSISTANT PRINCIPALS; TO DIRECT THE STATE BOARD OF EDUCATION AND UNC BOARD OF GOVERNORS TO DEVELOP A PROPOSAL FOR A STATEWIDE LATERAL ENTRY TEACHER LICENSURE PROGRAM; AND TO ALLOW CASWELL COUNTY TO ACQUIRE AND IMPROVE PROPERTY FOR USE BY THE COUNTY BOARD OF EDUCATION, referred to the **Rules and Operations of the Senate Committee** on October 27.

Pursuant to Rule 47(a), Senator Rand offers a motion that the House Committee Substitute bill No. 3 be withdrawn from the **Rules and Operations of the Senate Committee** and placed on the Calendar for Wednesday, October 28, which motion prevails with unanimous consent.

The Chair orders the House Committee Substitute bill No. 3 withdrawn from the **Rules and Operations of the Senate Committee** and places it on the Calendar for Wednesday, October 28.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A special message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill for concurrence is presented to the Senate, read, and disposed of, as follows:

S.B. 1552 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MAKE CHANGES TO THE NOTARY PUBLIC ACT, TO EXEMPT SOME MAPS FROM THE CERTIFICATION REQUIREMENT, TO AUTHORIZE THE SECRETARY OF STATE TO AUTHENTICATE DOCUMENTS, AND TO GIVE RELIEF TO CORPORATIONS AND LIMITED LIABILITY COMPANIES THAT HAVE BEEN ADMINISTRATIVELY DISSOLVED OR MAY BE ADMINISTRATIVELY DISSOLVED BECAUSE OF FAILURE TO FILE A CORPORATE ANNUAL REPORT, for concurrence in House Committee Substitute No. 2.

On motion of Senator Rand, the rules are suspended, and House Committee Substitute bill No. 2 is placed on the Calendar for immediate consideration.

The Chair rules that House Committee Substitute bill No. 2 does not require a call of the roll.

The Senate concurs in House Committee Substitute bill No. 2 (44-0) and the measure is ordered enrolled and sent to the Governor.

On motion of Senator Rand, seconded by Senator Jordan, the Senate adjourns at 4:26 P.M., subject to receipt of Conference Reports, to meet tomorrow, Wednesday, October 28, at 8:00 A.M.

TWO HUNDRED TWENTY-THIRD DAY

Senate Chamber
Wednesday, October 28, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Eternal and Loving God, the business of State is still before us today, but there are also matters of heart.

"Some will continue to work toward finalizing this Legislative Session. Some will travel to a church and a cemetery on the banks of the Albemarle to pay respects and comfort a colleague.

"Some may even be able to continue the campaign, long distance, toward next week's election. In the wideness of Your mercy, Oh God, You will be present today in all the ways that we need You - as counselor, comforter, encourager.

"For the love of God is broader than the measure of our minds, and the heart of the Eternal is most wonderfully kind.

"We begin this day with that great assurance on our lips and in our hearts. Amen."

With unanimous consent, the President grants a leave of absence for today to Senator Basnight.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Tuesday, October 27, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 1428, AN ACT TO APPOINT PERSONS TO VARIOUS PUBLIC OFFICES UPON THE RECOMMENDATION OF THE PRESIDENT PRO TEMPORE OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND TO EXPAND THE STRUCTURAL PEST CONTROL COMMITTEE.

S.B. 916, AN ACT TO REWRITE THE LAWS REGULATING COSMETIC ART AND TO REGULATE THE PRACTICE OF MASSAGE AND BODYWORK THERAPY.

S.B. 1124, AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO EMPLOY TEACHERS WHO ARE LEGALLY CERTIFICATED IN ANOTHER STATE EVEN THOUGH THEY MAY NOT BE CERTIFICATED IN NORTH CAROLINA, AND TO PROVIDE AN ALTERNATIVE METHOD FOR LOCAL BOARDS TO HIRE LATERAL ENTRY TEACHERS.

S.B. 1552, AN ACT TO MAKE CHANGES TO THE NOTARY PUBLIC ACT, TO EXEMPT SOME MAPS FROM THE CERTIFICATION REQUIREMENT, TO AUTHORIZE THE SECRETARY OF STATE TO AUTHENTICATE DOCUMENTS, AND TO GIVE RELIEF TO CORPORATIONS AND LIMITED LIABILITY COMPANIES THAT HAVE BEEN ADMINISTRATIVELY DISSOLVED OR MAY BE ADMINISTRATIVELY DISSOLVED BECAUSE OF FAILURE TO FILE A CORPORATE ANNUAL REPORT.

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

S.B. 1260, AN ACT TO DEVELOP A PLAN OF REORGANIZATION FOR THE TRANSFER OF THE DIVISION OF YOUTH SERVICES OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE DIVISION OF JUVENILE SERVICES OF THE ADMINISTRATIVE OFFICE OF THE COURTS, TO ESTABLISH THE OFFICE OF JUVENILE JUSTICE, TO AMEND AND RECODIFY THE NORTH CAROLINA JUVENILE CODE, AND TO CONFORM THE GENERAL STATUTES TO THE RECODIFICATION OF THE JUVENILE CODE, AS RECOMMENDED BY THE COMMISSION ON JUVENILE CRIME AND JUSTICE. (Became law upon approval of the Governor, October 27, 1998 - S.L. 1998-202.)

H.B. 1629, AN ACT TO REMOVE AN AREA FROM THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, TO ANNEX AN AREA AS DESCRIBED INTO THE CORPORATE LIMITS OF THE CITY OF ASHEBORO, AND GIVE ADDITIONAL AUTHORITY TO THAT CITY TO MAKE VOLUNTARY SATELLITE ANNEXATIONS. (Became law upon ratification, October 27, 1998 - S.L. 1998-203.)

S.B. 1424, AN ACT TO PROVIDE THAT CABARRUS MEMORIAL HOSPITAL MAY AWARD A BACCALAUREATE DEGREE TO GRADUATES OF ITS NURSING AND ALLIED HEALTH SCIENCES PROGRAMS AS APPROPRIATE. (Became law upon ratification, October 27, 1998 - S.L. 1998-204.)

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.B. 1023

House of Representatives
October 27, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House fails to concur in the Senate Committee Substitute for HB 1023, A BILL TO BE ENTITLED AN ACT TO MODERNIZE THE PRETRIAL RELEASE AND BOND FORFEITURE PROCEDURE and to request conferees. The Speaker has appointed:

Representative Sherrill
Representative Baddour, and
Representative Morgan

on the part of the House to confer with a like committee appointed by the Senate to the end that the differences arising may be adjusted.

Respectfully,
S/Denise Weeks
PRINCIPAL CLERK

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

H.B. 1401, A BILL TO BE ENTITLED AN ACT TO ADJUST THE BOUNDARIES OF THE TOWN OF PLEASANT GARDEN TO INCLUDE THE ENTIRE RIGHT-OF-WAY OF CERTAIN ROADS, upon third reading.

The bill passes its third reading by roll-call vote, ayes 39, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Carpenter, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Garwood, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, Miller, Moore, Odom, Page, Phillips, Plyler, Purcell, Rand, Rucho, Shaw of Guilford, Soles, Warren, Webster, Weinstein, and Wellons—39.

Voting in the negative: None. The bill is ordered enrolled.

H.B. 1527, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF YAUPON BEACH TO MAKE SPECIAL ASSESSMENTS FOR THE INSTALLATION OF UTILITIES UNDERGROUND, upon third reading.

Senator Soles offers Amendment No. 1, which proposes to change the title and is held to be material, constituting first reading.

The Chair rules that the bill, as amended, does not require a call of the roll.

The Senate recesses at 8:29 A.M., with Amendment No. 1 pending, to reconvene at 8:34 A.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

CALENDAR *(Continued)*

H.B. 1527, A BILL TO BE ENTITLED AN ACT TO ALLOW THE TOWN OF YAUPON BEACH TO MAKE SPECIAL ASSESSMENTS FOR THE INSTALLATION OF UTILITIES UNDERGROUND, upon third reading.

Senator Soles withdraws pending Amendment No. 1.

The bill passes its third reading (43-0) and is ordered enrolled.

H.B. 1528 (Senate Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE TOWN OF LONG BEACH TO LEVY AN ADDITIONAL TWO PERCENT OCCUPANCY TAX TO BE USED FOR BEACH RENOURISHMENT AND PROTECTION, upon third reading.

The Senate Committee Substitute bill No. 2 passes its third reading by roll-call vote, ayes 38, noes 8, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Blust, Carrington, Cooper, Dannelly, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Miller, Moore, Odom, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Weinstein, Wellons, and Winner—38.

Voting in the negative: Senators Ballantine, Carpenter, Clark, Cochrane, Forrester, McDaniel, Page, and Webster—8.

The Senate Committee Substitute bill No. 2 is ordered sent, by special messenger, to the House of Representatives, for concurrence in the Senate Committee Substitute bill No. 2.

APPOINTMENT OF CONFERENCE COMMITTEE

H.B. 1023 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODERNIZE THE PRETRIAL RELEASE AND BOND FORFEITURE PROCEDURE AND TO REQUIRE EACH CLERK OF COURT TO ENSURE THAT ALL RECORDS OF DISPOSITIONS IN CRIMINAL CASES CONTAIN CERTAIN INFORMATION.

Pursuant to the receipt of a message from the House of Representatives that the House fails to concur in the Senate Committee Substitute for H.B. 1023 and requests conferees, Senator Ballance offers a motion that the Senate appoint conferees, which motion prevails.

Senator Ballance, Deputy President *Pro Tempore*, announces the appointment of

Senator Ballance, Chairman, and Senators Hartsell, Odom, and Winner as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action and requesting conferees.

CALENDAR *(Continued)*

H.B. 1402 (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO DISAPPROVE 15A NCAC 2B.0233 (THE NEUSE RIVER NUTRIENT SENSITIVE WATERS MANAGEMENT STRATEGY) AS A PERMANENT RULE, TO CONTINUE 15 A NCAC 2B.O233 IN EFFECT AS A TEMPORARY RULE, TO SPECIFY HOW THE TEMPORARY RULE IS TO BE IMPLEMENTED, TO REQUIRE THE ENVIRONMENTAL MANAGEMENT COMMISSION (EMC) TO ADOPT RULES TO PROVIDE ALTERNATIVES TO MAINTAINING RIPARIAN BUFFERS AND TO ESTABLISH COMPENSATORY MITIGATION FEES, TO ESTABLISH THE RIPARIAN BUFFER RESTORATION FUND, TO REQUIRE THE EMC TO ADOPT RULES TO PROVIDE FOR DELEGATION OF THE RIPARIAN BUFFER PROGRAM TO UNITS OF LOCAL GOVERNMENT THAT SEEK SUCH DELEGATION, TO RECOGNIZE VESTED DEVELOPMENT RIGHTS, TO REQUIRE THE EMC TO REVISE THE TEMPORARY RULE CONTINUED IN EFFECT BY THIS ACT AND TO ADOPT A REVISED PERMANENT RULE WITH THE ASSISTANCE OF A STAKEHOLDER ADVISORY COMMITTEE, TO PROVIDE THAT EROSION CONTROL PLANS WILL BE CONSISTENT WITH RIPARIAN BUFFER REQUIREMENTS, TO REQUIRE THE EMC TO ESTABLISH A RIPARIAN BUFFER MAINTENANCE AND RESTORATION GOAL, TO AUTHORIZE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO ACCEPT DONATIONS OF REAL PROPERTY, TO PROVIDE FOR PERIODIC REVIEW OF THE IMPLEMENTATION OF THE NEUSE RIVER NUTRIENT SENSITIVE WATERS MANAGEMENT STRATEGY AND REPORTS TO THE ENVIRONMENTAL REVIEW COMMISSION, AND TO AUTHORIZE THE EMC TO ADOPT TEMPORARY RULES TO IMPLEMENT PART I OF THIS ACT; TO AUTHORIZE TEMPORARY RULES GOVERNING COASTAL ENERGY FACILITIES; TO PROVIDE THAT FEDERAL CONSERVATION RESERVE ENHANCEMENT PROGRAM OR OTHER AVAILABLE FUNDS MAY BE USED TO PAY ASSISTED FARMER'S SHARE OF THE COST OF CERTAIN PRACTICES UNDER STATE'S AGRICULTURE COST SHARE PROGRAM FOR NONPOINT SOURCE POLLUTION CONTROL; AND TO REVISE REPORTING REQUIREMENTS, upon third reading.

The Senate Committee Substitute bill passes its third reading by roll-call vote, ayes 47, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dannelly, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—47.

Voting in the negative: None.

The Senate Committee Substitute bill is ordered sent, by special messenger, to the House of Representatives, for concurrence in the Senate Committee Substitute bill.

S.B. 1125 (House Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO CLARIFY THAT THE PRESIDENT PRO TEMPORE OF THE SENATE APPOINTS ONE COCHAIR OF THE SCHOOL TECHNOLOGY COMMISSION; TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO MAKE ABC'S AWARDS NO LATER THAN THE SECOND REGULAR TEACHER PAYROLL; TO REQUIRE ABC'S AWARDS TO GO ONLY FOR DIRECT AWARDS TO CERTIFIED PERSONNEL AND TEACHER ASSISTANTS; TO CLARIFY THAT THE SUPERINTENDENT OR HIS DESIGNEE DEVELOPS THE SCHOOL BUS ASSIGNMENT PLAN; TO EXEMPT FROM THE SCHOOL ADMINISTRATOR EXAM INDIVIDUALS WHO OBTAINED OR RENEWED A SCHOOL ADMINISTRATOR/ SUPERVISOR CERTIFICATE DURING THE FIVE YEARS BEFORE JANUARY 1, 1998; TO AUTHORIZE THE STATE BOARD OF EDUCATION TO ADOPT POLICIES GOVERNING THE REQUIREMENTS FOR THE CERTIFICATION OF INDIVIDUALS WHO ARE CERTIFIED IN ANOTHER STATE AS SCHOOL ADMINISTRATORS; TO MOVE THE COMPETENCY TEST FROM TENTH TO NINTH GRADE; TO CLARIFY THAT THE SUPERINTENDENT MAKES DECISIONS CONCERNING SUSPENSION OR EXPULSION OF STUDENTS; TO CLARIFY THAT SUPERINTENDENTS MUST KEEP DATA ON STUDENTS WHO ARE SUSPENDED MORE THAN TEN DAYS; TO REQUIRE THE PROVISION OF REMEDIAL ASSISTANCE IN NINTH GRADE TO STUDENTS WHO FAIL TO PASS THE EIGHTH GRADE END-OF-GRADE TESTS; TO PROHIBIT PRINCIPALS OR THEIR DESIGNEES FROM WITHHOLDING A STUDENT RECORD WHEN A STUDENT TRANSFERS TO ANOTHER SCHOOL EXCEPT IN ACCORDANCE WITH FEDERAL LAW; TO AMEND THE EXCELLENT SCHOOLS ACT TO CLARIFY THAT ACTION PLANS ARE REQUIRED FOR CERTIFIED EMPLOYEES IN LOW-PERFORMING SCHOOLS WHEN THEY RECEIVE AN UNSATISFACTORY EVALUATION RELATED TO THEIR INSTRUCTIONAL DUTIES AND TO REQUIRE LOCAL BOARDS TO ADOPT POLICIES THAT REQUIRE ACTION PLANS FOR CERTIFIED EMPLOYEES IN OTHER SCHOOLS WHO RECEIVE AN UNSATISFACTORY EVALUATION; TO ALLOW THE INITIAL CONTRACT FOR A SCHOOL ADMINISTRATOR TO BE FOR A TERM OF LESS THAN TWELVE MONTHS; TO DIRECT THE STATE BOARD OF EDUCATION TO EVALUATE THE SAFE SCHOOLS BONUS FOR PRINCIPALS AND ASSISTANT PRINCIPALS; TO DIRECT THE STATE BOARD OF EDUCATION AND UNC BOARD OF GOVERNORS TO DEVELOP A PROPOSAL FOR A STATEWIDE LATERAL ENTRY TEACHER LICENSURE PROGRAM; AND TO ALLOW CASWELL COUNTY TO ACQUIRE AND IMPROVE PROPERTY FOR USE BY THE COUNTY BOARD OF EDUCATION, for concurrence in House Committee Substitute bill No. 3.

The Chair orders House Committee Substitute bill No. 3 temporarily displaced.

S.B. 1366 (Conference Report), A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE, for adoption, upon third reading.

The Senate recesses at 9:00 A.M. to reconvene at 9:15 A.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

CALENDAR *(Continued)*

S.B. 1366 (Conference Report), A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE, for adoption, upon third reading.

On motion of Senator Plyler, the Senate adopts the Conference Report on its third reading by roll-call vote, ayes 48, noes 0, as follows:

Voting in the affirmative: Senators Albertson, Allran, Ballance, Ballantine, Blust, Carpenter, Carrington, Clark, Cochrane, Cooper, Dalton, Dannelly, Forrester, Foxx, Garwood, Gulley, Hartsell, Horton, Hoyle, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Pitt, Martin of Guilford, McDaniel, Miller, Moore, Odom, Page, Perdue, Phillips, Plyler, Purcell, Rand, Reeves, Rucho, Shaw of Cumberland, Shaw of Guilford, Soles, Warren, Webster, Weinstein, Wellons, and Winner—48.

Voting in the negative: None.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 1366

House of Representatives
October 28, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House of Representatives has adopted the report of the Conferees on House Committee Substitute for SB 1366, A BILL TO BE ENTITLED AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE, to the end that when a similar action has been taken on the part of the Senate, you may order the bill enrolled.

Respectfully,
S/Denise Weeks
Principal Clerk

Pursuant to the Senate having adopted the Conference Report on third reading earlier today, the Chair orders the bill enrolled and sent to the Governor by special messenger.

The Senate recesses at 9:22 A.M. to reconvene at 9:27 A.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

CALENDAR *(Continued)*

S.B. 1125 (House Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO CLARIFY THAT THE PRESIDENT PRO TEMPORE OF THE SENATE APPOINTS ONE COCHAIR OF THE SCHOOL TECHNOLOGY COMMISSION; TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO MAKE ABC'S AWARDS NO LATER THAN THE SECOND REGULAR TEACHER PAYROLL; TO REQUIRE ABC'S AWARDS TO GO ONLY FOR DIRECT AWARDS TO CERTIFIED PERSONNEL AND TEACHER ASSISTANTS; TO CLARIFY THAT THE SUPERINTENDENT OR HIS DESIGNEE DEVELOPS THE SCHOOL BUS ASSIGNMENT PLAN; TO EXEMPT FROM THE SCHOOL ADMINISTRATOR EXAM INDIVIDUALS WHO OBTAINED OR RENEWED A SCHOOL ADMINISTRATOR/ SUPERVISOR CERTIFICATE DURING THE FIVE YEARS BEFORE JANUARY 1, 1998; TO AUTHORIZE THE STATE BOARD OF EDUCATION TO ADOPT POLICIES GOVERNING THE REQUIREMENTS FOR THE CERTIFICATION OF INDIVIDUALS WHO ARE CERTIFIED IN ANOTHER STATE AS SCHOOL ADMINISTRATORS; TO MOVE THE COMPETENCY TEST FROM TENTH TO NINTH GRADE; TO CLARIFY THAT THE SUPERINTENDENT MAKES DECISIONS CONCERNING SUSPENSION OR EXPULSION OF STUDENTS; TO CLARIFY THAT SUPERINTENDENTS MUST KEEP DATA ON STUDENTS WHO ARE SUSPENDED MORE THAN TEN DAYS; TO REQUIRE THE PROVISION OF REMEDIAL ASSISTANCE IN NINTH GRADE TO STUDENTS WHO FAIL TO PASS THE EIGHTH GRADE END-OF-GRADE TESTS; TO PROHIBIT PRINCIPALS OR THEIR DESIGNEES FROM WITHHOLDING A STUDENT RECORD WHEN A STUDENT TRANSFERS TO ANOTHER SCHOOL EXCEPT IN ACCORDANCE WITH FEDERAL LAW; TO AMEND THE EXCELLENT SCHOOLS ACT TO CLARIFY THAT ACTION PLANS ARE REQUIRED FOR CERTIFIED EMPLOYEES IN LOW-PERFORMING SCHOOLS WHEN THEY RECEIVE AN UNSATISFACTORY EVALUATION RELATED TO THEIR INSTRUCTIONAL DUTIES AND TO REQUIRE LOCAL BOARDS TO ADOPT POLICIES THAT REQUIRE ACTION PLANS FOR CERTIFIED EMPLOYEES IN OTHER SCHOOLS WHO RECEIVE AN UNSATISFACTORY EVALUATION; TO ALLOW THE INITIAL CONTRACT FOR A SCHOOL ADMINISTRATOR TO BE FOR A TERM OF LESS THAN TWELVE MONTHS; TO DIRECT THE STATE BOARD OF EDUCATION TO EVALUATE THE SAFE SCHOOLS BONUS FOR PRINCIPALS AND ASSISTANT PRINCIPALS; TO DIRECT THE STATE BOARD OF EDUCATION AND UNC BOARD OF GOVERNORS TO DEVELOP A PROPOSAL FOR A STATEWIDE LATERAL ENTRY TEACHER LICENSURE PROGRAM; AND TO ALLOW CASWELL COUNTY TO ACQUIRE AND IMPROVE PROPERTY FOR USE BY THE COUNTY BOARD OF EDUCATION, for concurrence in House Committee Substitute bill No. 3.

The Senate fails to concur in House Committee Substitute bill No. 3 (1-41).

Senator Lucas offers a motion that the Senate appoint conferees, which motion prevails.

Senator Ballance, Deputy President *Pro Tempore*, announces the appointment of Senator Lucas, Chairman, and Senator Rand and Senator Webster as conferees on the part of the Senate to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action and requesting conferees.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A special message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill for concurrence is presented to the Senate, read, and disposed of, as follows:

H.J.R. 1498 (Committee Substitute), A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE GENERAL ASSEMBLY.

Referred to **Rules and Operations of the Senate Committee**.

Upon motion of Senator Ballance, seconded by Senator Carpenter, the Senate adjourns at 9:40 A.M. subject to receipt of House messages, conference reports, and ratification of bills, to meet tomorrow, Thursday, October 29, at 9:00 A.M.

ENROLLED BILL

The Enrolling Clerk reports the following bill duly ratified for presentation to the Governor:

S.B. 1366, AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE.

SPECIAL MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

S.B. 1125 House of Representatives
October 28, 1998

Mr. President:

Pursuant to your information that your Honorable Body failed to concur in House Committee Substitute #3 for SB 1125, A BILL TO BE ENTITLED AN ACT TO CLARIFY THAT THE PRESIDENT PRO TEMPORE OF THE SENATE APPOINTS ONE COCHAIR OF THE SCHOOL TECHNOLOGY COMMISSION; TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO MAKE ABC'S AWARDS NO LATER THAN THE SECOND REGULAR TEACHER PAYROLL; TO REQUIRE ABC'S AWARDS TO GO ONLY FOR DIRECT AWARDS TO CERTIFIED PERSONNEL AND TEACHER ASSISTANTS; TO CLARIFY THAT THE SUPERINTENDENT OR HIS DESIGNEE DEVELOPS THE SCHOOL BUS ASSIGNMENT PLAN; TO EXEMPT FROM THE SCHOOL ADMINISTRATOR EXAM INDIVIDUALS WHO OBTAINED OR RENEWED A SCHOOL ADMINISTRATOR/ SUPERVISOR CERTIFICATE DURING THE FIVE YEARS BEFORE JANUARY 1, 1998; TO AUTHORIZE THE STATE BOARD OF EDUCATION TO ADOPT POLICIES GOVERNING THE REQUIREMENTS FOR THE CERTIFICATION OF INDIVIDUALS WHO ARE CERTIFIED IN ANOTHER STATE AS SCHOOL ADMINISTRATORS; TO MOVE THE COMPETENCY TEST FROM TENTH TO NINTH GRADE; TO CLARIFY THAT THE SUPERINTENDENT MAKES DECISIONS CONCERNING SUSPENSION OR EXPULSION OF

STUDENTS; TO CLARIFY THAT SUPERINTENDENTS MUST KEEP DATA ON STUDENTS WHO ARE SUSPENDED MORE THAN TEN DAYS; TO REQUIRE THE PROVISION OF REMEDIAL ASSISTANCE IN NINTH GRADE TO STUDENTS WHO FAIL TO PASS THE EIGHTH GRADE END-OF-GRADE TESTS; TO PROHIBIT PRINCIPALS OR THEIR DESIGNEES FROM WITHHOLDING A STUDENT RECORD WHEN A STUDENT TRANSFERS TO ANOTHER SCHOOL EXCEPT IN ACCORDANCE WITH FEDERAL LAW; TO AMEND THE EXCELLENT SCHOOLS ACT TO CLARIFY THAT ACTION PLANS ARE REQUIRED FOR CERTIFIED EMPLOYEES IN LOW-PERFORMING SCHOOLS WHEN THEY RECEIVE AN UNSATISFACTORY EVALUATION RELATED TO THEIR INSTRUCTIONAL DUTIES AND TO REQUIRE LOCAL BOARDS TO ADOPT POLICIES THAT REQUIRE ACTION PLANS FOR CERTIFIED EMPLOYEES IN OTHER SCHOOLS WHO RECEIVE AN UNSATISFACTORY EVALUATION; TO ALLOW THE INITIAL CONTRACT FOR A SCHOOL ADMINISTRATOR TO BE FOR A TERM OF LESS THAN TWELVE MONTHS; TO DIRECT THE STATE BOARD OF EDUCATION TO EVALUATE THE SAFE SCHOOLS BONUS FOR PRINCIPALS AND ASSISTANT PRINCIPALS; TO DIRECT THE STATE BOARD OF EDUCATION AND UNC BOARD OF GOVERNORS TO DEVELOP A PROPOSAL FOR A STATEWIDE LATERAL ENTRY TEACHER LICENSURE PROGRAM; AND TO ALLOW CASWELL COUNTY TO ACQUIRE AND IMPROVE PROPERTY FOR USE BY THE COUNTY BOARD OF EDUCATION, the Speaker has appointed as conferees on the part of the House,

Representative Morgan, Chair
Representative Preston

to act with a like committee on the part of the Senate to the end that the differences existing between the two bodies may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

Special messages received in the Office of the Principal Clerk from the House of Representatives transmitting bills for concurrence are presented to the Senate, read, and disposed of, as follows:

S.B. 873 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT CERTAIN TAX-EXEMPT AND TAXABLE DEBT ISSUED BY OR ON BEHALF OF A LOCAL GOVERNMENT IS SUBJECT TO APPROVAL BY THE LOCAL GOVERNMENT COMMISSION, for concurrence in the House Committee Substitute, which is placed on the Calendar for tomorrow, Thursday, October 29.

S.B. 475 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE NORTH CAROLINA FUND FOR DISPLACED HOMEMAKERS TO BE ADMINISTERED BY THE NORTH CAROLINA COUNCIL FOR WOMEN, AND TO ESTABLISH AN ADDITIONAL CIVIL ACTION FEE TO BE COLLECTED BY THE COURT IN DIVORCE ACTIONS, for concurrence in House Committee Substitute bill No. 2, which is placed on the Calendar for tomorrow, Thursday, October 29.

CONFERENCE REPORT

H.B. 1023

Senator Ballance for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **H.B. 1023** (Senate Committee Substitute), A BILL TO BE ENTITLED AN ACT TO MODERNIZE THE PRETRIAL RELEASE AND BOND FORFEITURE PROCEDURE AND TO REQUIRE EACH CLERK OF COURT TO ENSURE THAT ALL RECORDS OF DISPOSITIONS IN CRIMINAL CASES CONTAIN CERTAIN INFORMATION, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on House Bill 1023, A BILL TO BE ENTITLED AN ACT TO MODERNIZE THE PRETRIAL RELEASE AND BOND FORFEITURE PROCEDURE AND TO REQUIRE EACH CLERK OF COURT TO ENSURE THAT ALL RECORDS OF DISPOSITIONS IN CRIMINAL CASES CONTAIN CERTAIN INFORMATION, Fourth Edition Engrossed 7/23/97, submit the following report:

The House concurs in the Fourth Edition Engrossed, and the House and Senate agree to the following amendments:

on page 1, lines 2-3, by rewriting the lines to read:
"AN ACT TO PROVIDE THAT A PERSON CHARGED WITH A DRUG TRAFFICKING OFFENSE MAY BE DENIED PRETRIAL RELEASE IN CERTAIN CIRCUMSTANCES AND TO REQUIRE EACH CLERK OF COURT";

on page 1, line 8 through page 7, line 8, by rewriting those lines to read:
"§ 15A-533. Right of pretrial release in capital and noncapital cases.

(a) A defendant charged with any crime, whether capital or noncapital, who is alleged to have committed this crime while still residing in or subsequent to his escape or during an unauthorized absence from involuntary commitment in a mental health facility designated or licensed by the Department of Health and Human Services, and whose commitment is determined to be still valid by the judge or judicial officer authorized to determine pretrial release to be valid, has no right to pretrial release. In lieu of pretrial release, however, the individual shall be returned to the treatment facility in which he was residing at the time of the alleged crime or from which he escaped or absented himself for continuation of his treatment pending the additional proceedings on the criminal offense.

(b) A defendant charged with a noncapital offense must have conditions of pretrial release determined, in accordance with G.S. 15A-534.

(c) A judge may determine in his discretion whether a defendant charged with a capital offense may be released before trial. If he determines release is warranted, the judge must authorize release of the defendant in accordance with G.S. 15A-534.

(d) Subject to rebuttal by the person, it shall be presumed that no condition of release will reasonably assure the appearance of the person as required and the safety of the community if a judicial official finds the following:

(1) There is reasonable cause to believe that the person committed an offense involving trafficking in a controlled substance;

(2) The drug trafficking offense was committed while the person was on pretrial release for another offense; and

(3) The person has been previously convicted of a Class A through E felony or an offense involving trafficking in a controlled substance and not more than five years has elapsed since the date of conviction or the person's release from prison for the offense, whichever is later.

Such person may only be released by a district or superior court judge upon a finding that there is a reasonable assurance that the person will appear and release does not pose an unreasonable risk of harm to the community."

and by renumbering the remaining sections accordingly;

and on page 7, lines 16-19, by rewriting the lines to read:

"Section 3. This act becomes effective January 1, 1999. Section 1 of this act applies to offenses committed on or after that date. Section 2 of this act applies to records compiled on or after that date."

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: October 28, 1998.

S/Frank W. Ballance, Jr.	S/Wilma M. Sherrill
S/T. L. Fountain Odom	S/Richard T. Morgan
S/Leslie Winner	S/Phillip A. Baddour, Jr.
S/Fletcher L. Hartsell, Jr.	
Conferees for the Senate	*Conferees for the House of Representatives*

The Conference Report is placed on the Calendar for tomorrow, Thursday, October 29, for adoption.

The Senate adjourned at 4:30 p.m.

TWO HUNDRED TWENTY-FOURTH DAY

Senate Chamber
Thursday, October 29, 1998

The Senate meets pursuant to adjournment and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

Prayer is offered by the Reverend Mike Morris, Senate Chaplain, as follows:

"Almighty and Loving God, today, the Senate family must feel a deep understanding for what the Israelites experienced and felt when they stepped into the Promised Land after forty years in the wilderness.

"We have learned much about ourselves and each other during this Session. More importantly, we have learned much about You, Oh God. We thank You for being neither bi-partisan nor non-partisan. In fact, You are very partisan. You love each of us with a love that will not let us go.

"With that assurance, we say Godspeed to all the Senate family until we meet again. May the able work done here prosper the people of North Carolina for many years to come.

"And when the prayer ended, all that were present said, 'Amen.'"

With unanimous consent, the President grants leaves of absence for today to Senator Jenkins and Senator Phillips.

Senator Ballance, Deputy President *Pro Tempore*, announces the Journal of yesterday, Wednesday, October 28, has been examined and is found to be correct. On his motion, the Senate dispenses with the reading of the Journal and it stands approved as written.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified, properly enrolled and presented to the Office of the Secretary of State:

H.B. 1401, AN ACT TO ADJUST THE BOUNDARIES OF THE TOWN OF PLEASANT GARDEN TO INCLUDE THE ENTIRE RIGHT-OF-WAY OF CERTAIN ROADS.

H.B. 1527, AN ACT TO ALLOW THE TOWN OF YAUPON BEACH TO MAKE SPECIAL ASSESSMENTS FOR THE INSTALLATION OF UTILITIES UNDERGROUND.

CALENDAR

Bills on today's Calendar are taken up and disposed of, as follows:

S.B. 475 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE NORTH CAROLINA FUND FOR DISPLACED HOMEMAKERS TO BE ADMINISTERED BY THE NORTH CAROLINA COUNCIL FOR WOMEN, AND TO ESTABLISH AN ADDITIONAL CIVIL ACTION FEE TO BE COLLECTED BY THE COURT IN DIVORCE ACTIONS, for concurrence in House Committee Substitute bill No. 2, upon second reading.

The Chair orders, without objection, House Committee Substitute bill No. 2 temporarily displaced.

S.B. 873 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT CERTAIN TAX-EXEMPT AND TAXABLE DEBT ISSUED BY OR ON BEHALF OF A LOCAL GOVERNMENT IS SUBJECT TO APPROVAL BY THE LOCAL GOVERNMENT COMMISSION, for concurrence in the House Committee Substitute bill.

The Chair orders, without objection, the House Committee Substitute bill temporarily displaced.

H.B. 1023 (Conference Report), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT A PERSON CHARGED WITH A DRUG TRAFFICKING OFFENSE MAY BE DENIED PRETRIAL RELEASE IN CERTAIN CIRCUMSTANCES AND TO REQUIRE EACH CLERK OF COURT TO ENSURE THAT ALL RECORDS OF DISPOSITIONS IN CRIMINAL CASES CONTAIN CERTAIN INFORMATION, for adoption.

On motion of Senator Ballance, the Senate adopts the Conference Report (39-0).

The Chair orders a message sent to the House of Representatives informing that Honorable Body of such action.

With unanimous consent, the President grants a leave of absence for today to Senator Soles.

S.B. 475 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE NORTH CAROLINA FUND FOR DISPLACED HOMEMAKERS TO BE ADMINISTERED BY THE NORTH CAROLINA COUNCIL FOR WOMEN, AND TO ESTABLISH AN ADDITIONAL CIVIL ACTION FEE TO BE COLLECTED BY THE COURT IN DIVORCE ACTIONS, for concurrence in House Committee Substitute bill No. 2, upon second reading, temporarily displaced earlier.

The Chair rules that House Committee Substitute bill No. 2 does not require a call of the roll.

The Senate concurs in House Committee Substitute bill No. 2 (41-1), and the measure is ordered enrolled and sent to the Governor.

CONFERENCE REPORT

S.B. 1125

Senator Lucas for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **S.B. 1125** (House Committee Substitute No. 3), A BILL TO BE ENTITLED AN ACT TO CLARIFY THAT THE PRESIDENT PRO TEMPORE OF THE SENATE APPOINTS ONE COCHAIR OF THE SCHOOL TECHNOLOGY COMMISSION; TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO MAKE ABC'S AWARDS NO LATER THAN THE SECOND REGULAR TEACHER PAYROLL; TO REQUIRE ABC'S AWARDS TO GO ONLY FOR DIRECT AWARDS TO CERTIFIED PERSONNEL AND TEACHER ASSISTANTS; TO CLARIFY THAT THE SUPERINTENDENT OR HIS DESIGNEE DEVELOPS THE SCHOOL BUS ASSIGNMENT PLAN; TO EXEMPT FROM THE SCHOOL ADMINISTRATOR EXAM INDIVIDUALS WHO OBTAINED OR RENEWED A SCHOOL ADMINISTRATOR/ SUPERVISOR CERTIFICATE DURING THE FIVE YEARS BEFORE JANUARY 1, 1998; TO AUTHORIZE THE STATE BOARD OF EDUCATION TO ADOPT POLICIES GOVERNING THE REQUIREMENTS FOR THE CERTIFICATION OF INDIVIDUALS WHO ARE CERTIFIED IN ANOTHER STATE AS SCHOOL ADMINISTRATORS; TO MOVE THE COMPETENCY TEST FROM TENTH TO NINTH GRADE; TO CLARIFY THAT THE SUPERINTENDENT MAKES DECISIONS CONCERNING SUSPENSION OR EXPULSION OF STUDENTS; TO CLARIFY THAT SUPERINTENDENTS MUST

KEEP DATA ON STUDENTS WHO ARE SUSPENDED MORE THAN TEN DAYS; TO REQUIRE THE PROVISION OF REMEDIAL ASSISTANCE IN NINTH GRADE TO STUDENTS WHO FAIL TO PASS THE EIGHTH GRADE END-OF-GRADE TESTS; TO PROHIBIT PRINCIPALS OR THEIR DESIGNEES FROM WITHHOLDING A STUDENT RECORD WHEN A STUDENT TRANSFERS TO ANOTHER SCHOOL EXCEPT IN ACCORDANCE WITH FEDERAL LAW; TO AMEND THE EXCELLENT SCHOOLS ACT TO CLARIFY THAT ACTION PLANS ARE REQUIRED FOR CERTIFIED EMPLOYEES IN LOW-PERFORMING SCHOOLS WHEN THEY RECEIVE AN UNSATISFACTORY EVALUATION RELATED TO THEIR INSTRUCTIONAL DUTIES AND TO REQUIRE LOCAL BOARDS TO ADOPT POLICIES THAT REQUIRE ACTION PLANS FOR CERTIFIED EMPLOYEES IN OTHER SCHOOLS WHO RECEIVE AN UNSATISFACTORY EVALUATION; TO ALLOW THE INITIAL CONTRACT FOR A SCHOOL ADMINISTRATOR TO BE FOR A TERM OF LESS THAN TWELVE MONTHS; TO DIRECT THE STATE BOARD OF EDUCATION TO EVALUATE THE SAFE SCHOOLS BONUS FOR PRINCIPALS AND ASSISTANT PRINCIPALS; TO DIRECT THE STATE BOARD OF EDUCATION AND UNC BOARD OF GOVERNORS TO DEVELOP A PROPOSAL FOR A STATEWIDE LATERAL ENTRY TEACHER LICENSURE PROGRAM; AND TO ALLOW CASWELL COUNTY TO ACQUIRE AND IMPROVE PROPERTY FOR USE BY THE COUNTY BOARD OF EDUCATION, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 1125, A BILL TO BE ENTITLED AN ACT TO CLARIFY THAT THE PRESIDENT PRO TEMPORE OF THE SENATE APPOINTS ONE COCHAIR OF THE SCHOOL TECHNOLOGY COMMISSION; TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO MAKE ABC'S AWARDS NO LATER THAN THE SECOND REGULAR TEACHER PAYROLL; TO REQUIRE ABC'S AWARDS TO GO ONLY FOR DIRECT AWARDS TO CERTIFIED PERSONNEL AND TEACHER ASSISTANTS; TO CLARIFY THAT THE SUPERINTENDENT OR HIS DESIGNEE DEVELOPS THE SCHOOL BUS ASSIGNMENT PLAN; TO EXEMPT FROM THE SCHOOL ADMINISTRATOR EXAM INDIVIDUALS WHO OBTAINED OR RENEWED A SCHOOL ADMINISTRATOR/ SUPERVISOR CERTIFICATE DURING THE FIVE YEARS BEFORE JANUARY 1, 1998; TO AUTHORIZE THE STATE BOARD OF EDUCATION TO ADOPT POLICIES GOVERNING THE REQUIREMENTS FOR THE CERTIFICATION OF INDIVIDUALS WHO ARE CERTIFIED IN ANOTHER STATE AS SCHOOL ADMINISTRATORS; TO MOVE THE COMPETENCY TEST FROM TENTH TO NINTH GRADE; TO CLARIFY THAT THE SUPERINTENDENT MAKES DECISIONS CONCERNING SUSPENSION OR EXPULSION OF STUDENTS; TO CLARIFY THAT SUPERINTENDENTS MUST KEEP DATA ON STUDENTS WHO ARE SUSPENDED MORE THAN TEN DAYS; TO REQUIRE THE PROVISION OF REMEDIAL ASSISTANCE IN NINTH GRADE TO STUDENTS WHO FAIL TO PASS THE EIGHTH GRADE END-OF-GRADE TESTS; TO PROHIBIT PRINCIPALS OR THEIR DESIGNEES FROM WITHHOLDING A STUDENT RECORD WHEN A STUDENT TRANSFERS TO ANOTHER SCHOOL EXCEPT IN ACCORDANCE WITH FEDERAL LAW; TO AMEND THE

EXCELLENT SCHOOLS ACT TO CLARIFY THAT ACTION PLANS ARE REQUIRED FOR CERTIFIED EMPLOYEES IN LOW-PERFORMING SCHOOLS WHEN THEY RECEIVE AN UNSATISFACTORY EVALUATION RELATED TO THEIR INSTRUCTIONAL DUTIES AND TO REQUIRE LOCAL BOARDS TO ADOPT POLICIES THAT REQUIRE ACTION PLANS FOR CERTIFIED EMPLOYEES IN OTHER SCHOOLS WHO RECEIVE AN UNSATISFACTORY EVALUATION; TO ALLOW THE INITIAL CONTRACT FOR A SCHOOL ADMINISTRATOR TO BE FOR A TERM OF LESS THAN TWELVE MONTHS; TO DIRECT THE STATE BOARD OF EDUCATION TO EVALUATE THE SAFE SCHOOLS BONUS FOR PRINCIPALS AND ASSISTANT PRINCIPALS; TO DIRECT THE STATE BOARD OF EDUCATION AND UNC BOARD OF GOVERNORS TO DEVELOP A PROPOSAL FOR A STATEWIDE LATERAL ENTRY TEACHER LICENSURE PROGRAM; AND TO ALLOW CASWELL COUNTY TO ACQUIRE AND IMPROVE PROPERTY FOR USE BY THE COUNTY BOARD OF EDUCATION, House Committee Substitute #3 Favorable 10/22/98, submit the following report:

The Senate and House agree to the following amendments to the House Committee Substitute #3 Favorable 10/22/98, and the Senate concurs in the House Committee Substitute as amended:

on page 2, line 16, by inserting after the word "PRINCIPALS;" the word "AND";
and on page 2, by rewriting lines 19-21 to read "PROGRAM.";

and on page 11, line 38, through page 12, line 4, by deleting Section 19 of the bill;

and by renumbering the remaining section accordingly.

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: October 29, 1998.

S/Jeanne Lucas	S/Richard T. Morgan
S/Anthony E. Rand	S/Jean Preston
S/Hugh Webster	
Conferees for the Senate	*Conferees for the House of Representatives*

With unanimous consent, on motion of Senator Lucas, the Conference Report is placed on the Calendar for immediate consideration.

On motion of Senator Lucas, the Senate adopts the Conference Report (41-0). A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.B. 1023 House of Representatives
October 29, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House of Representatives has adopted the report of the Conferees on Senate Committee Substitute for HB 1023, A BILL TO BE ENTITLED AN ACT TO MODERNIZE THE PRETRIAL RELEASE AND BOND FORFEITURE PROCEDURE, to the end that when a similar action has been taken on the part of the Senate, we will order the bill enrolled.

Respectfully,
S/Denise Weeks
PRINCIPAL CLERK

The Senate recesses at 9:25 A.M. to reconvene at 9:45 A.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

COMMITTEE REFERRAL RECALL

H.J.R. 1498, A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE GENERAL ASSEMBLY, referred to the **Rules and Operations of the Senate Committee** on October 28.

Pursuant to Rule 47(a), Senator Rand offers a motion that the joint resolution be withdrawn from the **Rules and Operations of the Senate Committee** and placed on today's Calendar for immediate consideration, which motion prevails with unanimous consent.

The Chair orders the joint resolution withdrawn from the **Rules and Operations of the Senate Committee** and places it on today's Calendar for immediate consideration.

Senator Rand offers Amendment No. 1 which is adopted (30-0).

The joint resolution passes its second (35-0) and third readings and is ordered sent, unengrossed, by special messenger, to the House of Representatives.

The President relinquishes the gavel to Senator Basnight, President Pro Tempore, who presides in the absence of the Lieutenant Governor.

PERSONAL PRIVILEGE

Senator Page rises for a point of personal privilege and, upon motion of Senator Horton, his remarks are spread upon the journal as follows:

"Thank you Mr. President, members of the Senate. As most of you know, I will be leaving here and will not be returning next session. This is my last day and I wanted to tell you how much it has been an honor to serve here in this Body. I remember when I got here, I had somewhat of a disadvantage. I was in the minority. I was one of the youngest members, and I came in on March the 28th of 1995 when you'd been in session already a couple of months. I can remember as a third grade student in Lee County having sitting

up in the balconies and looking down over this Body and I never believed that I ever would have the opportunity to serve here in the General Assembly. I am certainly grateful to the people of the 15th Senate District for giving me the opportunity to serve them. It has been an interesting experience for me, it's been one I have enjoyed. I certainly have enjoyed working and serving with each of you. I've come to have a great deal of respect for each and everyone of you here. I know that we do not always agree with the issues but the sacrifices that you personally make and your family makes it great and I know that you all give it your all here and we're all here to work for the good of North Carolina and I know that you'll continue to do that. So I just wanted to say how much I appreciate the friendships that we've had over the last couple of years and I wish you all well. Thank you."

Senator Basnight:

"Senator Page, it has been a pleasure working with you these past few years, getting to know you, and appreciate you. We wish you the best in life."

PERSONAL PRIVILEGE

Senator Lee rises to a point of personal privilege and offers remarks of recognition on behalf of Senator Winner. With unanimous consent, on motion of Senator Horton, the remarks of Senator Lee are spread upon the Journal as follows:

"Mr. President, members of the Senate. Now and again, a special person comes into each of our lives at times that are most unexpected. And I feel extremely fortunate that I have had a number of people who've impacted my life, who helped to shape my destiny, come into my life and leave their indelible imprint. Such a person, almost two years ago, came into my life when I was given the privilege to serve as Co-chair of Education. And that person is Senator Leslie Winner. This is Leslie's last day as an official member of the Senate, but it is not the last day of doing what she does best and that is dreaming of the future, helping to shape a destiny for our children and our State and continuing to demonstrate a level of caring that very few of us are capable of doing. I've learned a great deal from you, Leslie. But more importantly, the State has benefited greatly from your tireless work. I have admired the way in which you've approached some very tough problems relating to education. I have been delighted and honored to have been involved with the struggles we have carried out together shaping the Excellent Schools Act, the Safe Schools Act, working to get appropriations for education at all levels from the University to the Community Colleges, and the State and Senate's loss of having you function at this level is Charlotte and Mecklenburg County's gain. I know the decision to leave this Body was a tough one for you, but the reason you're leaving this Body is a great one, and that is as you have worked to shape the future of children across this State, you'd like to spend more time helping to shape the destiny of your own daughter. And we have to admire that, at least I personally do. I wanted this opportunity to rise at this moment and say how much I've learned from you, how delighted I've been to work with you, and how wonderful it is for me to claim you among those whom I would identify as one of my best friends. I wish God speed to you, the best of luck to you, and I look forward to receiving over the next year, assuming I'm back, those telephone calls telling me what to do. I will certainly be relying and depending on you and I wish you the best of luck in the future."

PERSONAL PRIVILEGE

Senator Kinnaird rises to a point of personal privilege and offers remarks of recognition on behalf of Senator Jenkins. With unanimous consent, on motion of Senator Horton, the remarks of Senator Kinnaird are spread upon the Journal as follows:

"When I came here as a freshman I was a complete novice to this Body, not to government, but to this Body which worked very differently. I was fortunate to be assigned a seat next to Tommy Jenkins who had been in the House and was knowledgeable of how our Legislature works. Tommy has been a great help to me, coaching me, advising me as I went along and we shared lots of laughs together and lots of stories. He's a great person. He's contributed a great deal, not only to me personally, but to this Body and to this State. And he will be greatly missed. I wish him also a great future and know that he is the person who can carry it out for his community and for our State."

PERSONAL PRIVILEGE

Senator Blust rises to a point of personal privilege and offers remarks of recognition on behalf of Senator Jenkins and Senator Winner. With unanimous consent, on motion of Senator Horton, the remarks of Senator Blust are spread upon the Journal as follows:

"Thank you Mr. President. As a member of the opposition party, I'd just like to echo what's just been said, and win or lose next Tuesday, I'll miss both Senator Winner and Senator Jenkins. They've been a great asset to this Body. I think Senator Winner, and I know privately from talking to people, you have the respect of everybody in this Chamber. Your command of the facts and the subject area where you have put your efforts has been greatly noted. You're a great source of information even to people in the minority party. We know that we can get a straight story from you and the straight facts even if we might be opposing something you're doing. You're a true professional and I think you're what a North Carolina Senator ought to be. And I say that not always agreeing with you from a policy perspective. And Tommy Jenkins, I didn't know him long, he served here one term but he is a good friend, he's a good guy to work with, always in good humor. Sometimes we're sitting here having some combat with each other, it can be political at times in here, and yet we can still laugh back and forth and have a good time. I'll miss both of these fine Senators, like I said, whether I come back or not. Thanks."

PERSONAL PRIVILEGE

With unanimous consent, on motion of Senator Horton, the remarks of Senator Basnight who offers remarks of recognition, are spread upon the Journal as follows:

"We thank you Dan and Tommy and Leslie. I would like to share some thoughts with you on one person in particular, and that's Leslie. She has affected my thoughts and maybe my personal policy on things at a number of different times. But your sincerity and your honesty and your great belief in people, in humanity and in mankind, exceeds that of any person I have met with or I have been associated with in these Chambers in my fourteen years. You have helped direct policy and make law that has been positive. And you have done it with a sincere belief to help people and do the right things. To me you are one of the great North Carolinians to live and we thank you very, very much."

PERSONAL PRIVILEGE

Senator Winner rises to a point of personal privilege. With unanimous consent, on motion of Senator Lee, the remarks of Senator Winner are spread upon the Journal as follows:

"I've been thinking a whole lot about what to say today. When I think about the General Assembly, I keep on having this childhood nursery rhyme come to my mind, which is, like the girl with the golden curl right in the middle of her forehead, and when she is good she is very, very good, and when she is bad, she is horrid. So I thought about whether I wanted to give everybody a sermon about what I thought ought to be fixed around here and decided I really didn't want to do that today. Then I thought about whether I wanted to talk about education, which you've heard me talk about so many times, I couldn't think of anything new to say. And about the environment, which I worry about for the future of our children and grandchildren. But when it came down to it, what I realized is that the only really one thing I wanted to say was thank you. You've heard enough sermons from me over the years. And there are a lot of different people that I want to say thank you to. I really want to say thank you to the staff, all of our staff. I've personally had really wonderful clerks, Gerald Holt and Vicky Spears, who have kept me straight and going and have basically kept my life together for the past six years. Howard Lee and I have had wonderful Education Committee staff who are bright, committed, competent, protect us from making mistakes, help us look good, help all of us look good. And in fact, all of the staff that I have worked with in this building from committee staff, people working in the cafeteria, the people who take care of us by providing us security, the Sergeant-At-Arms staff, is just an incredible bunch of people who work hard to make us look good and I think they do it because they, like we, love the State and believe their work makes a difference to the State. I'm sorry that the Lieutenant Governor isn't in here. But he also, I feel a lot of appreciation for. He doesn't get much credit from us but he does both give us reign to do what we want to do and also keeps us reigned in when we need to be reigned in and I think treats us with fairness and respect even at some exasperating moments. But mostly I want to say thank you to all of you. I can't talk for an hour. I could talk for an hour and go around the room one by one and recount my experiences, the bills we worked on together, the disagreements that we've had, the agreements that we've had, the fun that we've had, and I can't do that. But in your own special way as I look around here I really think that this State is very, very fortunate to have a diverse group of committed people who in your own way really believe, I really sincerely believe that each and every one of you believe that you are doing what's right for the State of North Carolina and for the people. And last, and this is a little sappy, I feel just thankful for the General Assembly and for representative democracy. Because when it works well it does work really, really well. And when we put our minds on solving hard problems and making good policy and reconciling the differences and understanding what the other guy's saying and finding our common ground, we come up with some really beautiful and wonderful solutions. And so we shouldn't take it for granted. And I want to say thank you to each of you for that and for the last six years and especially, Howard, to you. Thank you."

With unanimous consent, the President grants leaves of absence for the remainder of today's Session to Senator Cochrane, Senator Perdue, and Senator Rucho.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

October 29, 1998

S.B. 1125

House of Representatives
October 29, 1998

Mr. President:

Pursuant to your message that you have adopted the report of the Conferees on House Committee Substitute #3 for SB 1125, A BILL TO BE ENTITLED AN ACT TO CLARIFY THAT THE PRESIDENT PRO TEMPORE OF THE SENATE APPOINTS ONE COCHAIR OF THE SCHOOL TECHNOLOGY COMMISSION; TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO MAKE ABC'S AWARDS NO LATER THAN THE SECOND REGULAR TEACHER PAYROLL; TO REQUIRE ABC'S AWARDS TO GO ONLY FOR DIRECT AWARDS TO CERTIFIED PERSONNEL AND TEACHER ASSISTANTS; TO CLARIFY THAT THE SUPERINTENDENT OR HIS DESIGNEE DEVELOPS THE SCHOOL BUS ASSIGNMENT PLAN; TO EXEMPT FROM THE SCHOOL ADMINISTRATOR EXAM INDIVIDUALS WHO OBTAINED OR RENEWED A SCHOOL ADMINISTRATOR/ SUPERVISOR CERTIFICATE DURING THE FIVE YEARS BEFORE JANUARY 1, 1998; TO AUTHORIZE THE STATE BOARD OF EDUCATION TO ADOPT POLICIES GOVERNING THE REQUIREMENTS FOR THE CERTIFICATION OF INDIVIDUALS WHO ARE CERTIFIED IN ANOTHER STATE AS SCHOOL ADMINISTRATORS; TO MOVE THE COMPETENCY TEST FROM TENTH TO NINTH GRADE; TO CLARIFY THAT THE SUPERINTENDENT MAKES DECISIONS CONCERNING SUSPENSION OR EXPULSION OF STUDENTS; TO CLARIFY THAT SUPERINTENDENTS MUST KEEP DATA ON STUDENTS WHO ARE SUSPENDED MORE THAN TEN DAYS; TO REQUIRE THE PROVISION OF REMEDIAL ASSISTANCE IN NINTH GRADE TO STUDENTS WHO FAIL TO PASS THE EIGHTH GRADE END-OF-GRADE TESTS; TO PROHIBIT PRINCIPALS OR THEIR DESIGNEES FROM WITHHOLDING A STUDENT RECORD WHEN A STUDENT TRANSFERS TO ANOTHER SCHOOL EXCEPT IN ACCORDANCE WITH FEDERAL LAW; TO AMEND THE EXCELLENT SCHOOLS ACT TO CLARIFY THAT ACTION PLANS ARE REQUIRED FOR CERTIFIED EMPLOYEES IN LOW-PERFORMING SCHOOLS WHEN THEY RECEIVE AN UNSATISFACTORY EVALUATION RELATED TO THEIR INSTRUCTIONAL DUTIES AND TO REQUIRE LOCAL BOARDS TO ADOPT POLICIES THAT REQUIRE ACTION PLANS FOR CERTIFIED EMPLOYEES IN OTHER SCHOOLS WHO RECEIVE AN UNSATISFACTORY EVALUATION; TO ALLOW THE INITIAL CONTRACT FOR A SCHOOL ADMINISTRATOR TO BE FOR A TERM OF LESS THAN TWELVE MONTHS; TO DIRECT THE STATE BOARD OF EDUCATION TO EVALUATE THE SAFE SCHOOLS BONUS FOR PRINCIPALS AND ASSISTANT PRINCIPALS; TO DIRECT THE STATE BOARD OF EDUCATION AND UNC BOARD OF GOVERNORS TO DEVELOP A PROPOSAL FOR A STATEWIDE LATERAL ENTRY TEACHER LICENSURE PROGRAM; AND TO ALLOW CASWELL COUNTY TO ACQUIRE AND IMPROVE PROPERTY FOR USE BY THE COUNTY BOARD OF EDUCATION, it is ordered that a message be sent to your Honorable Body with the information that the House has adopted the report of the Conferees, and

you may order the bill enrolled.

Respectfully,
S/Denise Weeks
Principal Clerk

Pursuant to the Senate having adopted the Conference Report earlier today, the Chair orders the bill enrolled and sent to the Governor.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A special message received in the Office of the Principal Clerk from the House of Representatives transmitting a bill for concurrence is presented to the Senate, read, and disposed of, as follows:

S.B. 1279 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MAKE TECHNICAL AMENDMENTS TO THE GENERAL STATUTES AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, TO MAKE OTHER TECHNICAL CORRECTIONS, TO CLARIFY THAT THE ATTORNEY GENERAL MAY EXEMPT CERTAIN BUSINESS COMBINATIONS FROM THE SHAREHOLDER PROTECTION ACT, TO AUTHORIZE THE INDUSTRIAL COMMISSION TO ISSUE WRITS OF HABEAS CORPUS AD TESTIFICANDUM, TO RESTORE A PROVISION ON COMMUNITY SERVICE PASSED BUT NOT CODIFIED IN 1997, TO EXTEND THE TIME TO OBTAIN VOLUNTARY EASEMENTS FOR CERTAIN STRUCTURES OVER STATE-OWNED LANDS BY THREE YEARS, TO PROHIBIT CANDIDATES FOR SUPERIOR COURT FROM RUNNING FOR ANOTHER OFFICE AT THE SAME TIME, TO REVISE THE APPLICABILITY CLAUSE OF THE WORKPLACE HARASSMENT LAW CONCERNING CASES DISMISSED WITHOUT PREJUDICE PRIOR TO AUGUST 15, 1998, TO PROVIDE FOR THE LICENSING OF THIRD-PARTY ADMINISTRATORS SERVING WORKERS' COMPENSATION SELF-INSURED GROUPS, TO CLARIFY THE LAW GOVERNING VEHICLE FORFEITURE TO SCHOOLS FOR DWI OFFENSES, TO EXTEND THE DATE FOR THE RURAL TRANSPORTATION PLANNING ORGANIZATION STUDY, TO PROVIDE FOR PROOF OF COMPLIANCE WITH THE MEDICAL MALPRACTICE EXPERT WITNESS RULE THROUGH LIMITED INTERROGATORIES VERIFIED BY THE EXPERT, TO CORRECT A REFERENCE TO PROBATIONARY TEACHERS IN THE BUDGET, TO RESOLVE A CONFLICT WITH THE EFFECTIVE DATE OF LEGISLATION INVOLVING MUNICIPAL INCORPORATION PROCEDURES, AND TO CORRECT AN INADVERTENT OMISSION IN THE BUDGET CONCERNING RECEIPT-SUPPORTED POSITIONS IN THE STATE TREASURER'S OFFICE, for concurrence in House Committee Substitute bill #2 and Amendment No. 1.

Senator Rand moves that the rules be suspended and that House Committee Substitute bill No. 2, as amended, be placed on today's Calendar.

The Chair orders, without objection, House Committee Substitute bill No. 2, as amended, temporarily displaced.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.J.R. 1498

House of Representatives
October 29, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House fails to concur in the Senate Amendment to Committee Substitute for HJR 1498, A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE GENERAL ASSEMBLY, and request conferees. The Speaker has appointed:

Representative Morgan, and
Representative Bowie

on the part of the House to confer with a like committee appointed by the Senate to the end that the differences arising may be adjusted.

Respectfully,
S/Denise Weeks
Principal Clerk

Senator Rand offers a motion that the Senate appoint conferees, which motion prevails.

Senator Rand announces that the President *Pro Tempore* appoints Senator Rand as the conferee appointed on the part of the Senate to act with a like committee from the House of Representatives to resolve the differences arising between the two Bodies. A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

CALENDAR *(Continued)*

S.B. 1279 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MAKE TECHNICAL AMENDMENTS TO THE GENERAL STATUTES AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, TO MAKE OTHER TECHNICAL CORRECTIONS, TO CLARIFY THAT THE ATTORNEY GENERAL MAY EXEMPT CERTAIN BUSINESS COMBINATIONS FROM THE SHAREHOLDER PROTECTION ACT, TO AUTHORIZE THE INDUSTRIAL COMMISSION TO ISSUE WRITS OF HABEAS CORPUS AD TESTIFICANDUM, TO RESTORE A PROVISION ON COMMUNITY SERVICE PASSED BUT NOT CODIFIED IN 1997, TO EXTEND THE TIME TO OBTAIN VOLUNTARY EASEMENTS FOR CERTAIN STRUCTURES OVER STATE-OWNED LANDS BY THREE YEARS, TO PROHIBIT CANDIDATES FOR SUPERIOR COURT FROM RUNNING FOR ANOTHER OFFICE AT THE SAME TIME, TO REVISE THE APPLICABILITY CLAUSE OF THE WORKPLACE HARASSMENT LAW CONCERNING CASES DISMISSED WITHOUT PREJUDICE PRIOR TO AUGUST 15, 1998, TO PROVIDE FOR THE LICENSING OF THIRD-PARTY ADMINISTRATORS SERVING WORKERS' COMPENSATION SELF-INSURED GROUPS, TO CLARIFY THE LAW GOVERNING VEHICLE FORFEITURE TO SCHOOLS FOR DWI OFFENSES, TO EXTEND THE DATE FOR THE RURAL TRANSPORTATION PLANNING ORGANIZATION STUDY, TO PROVIDE FOR PROOF OF COMPLIANCE WITH THE MEDICAL MALPRACTICE EXPERT

WITNESS RULE THROUGH LIMITED INTERROGATORIES VERIFIED BY THE EXPERT, TO CORRECT A REFERENCE TO PROBATIONARY TEACHERS IN THE BUDGET, TO RESOLVE A CONFLICT WITH THE EFFECTIVE DATE OF LEGISLATION INVOLVING MUNICIPAL INCORPORATION PROCEDURES, AND TO CORRECT AN INADVERTENT OMISSION IN THE BUDGET CONCERNING RECEIPT-SUPPORTED POSITIONS IN THE STATE TREASURER'S OFFICE, for concurrence in House Committee Substitute bill No. 2, as amended, placed on the Calendar earlier today.

The Chair orders, without objection, House Committee Substitute bill No. 2, as amended, temporarily displaced.

S.B. 873 (House Committee Substitute), A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT CERTAIN TAX-EXEMPT AND TAXABLE DEBT ISSUED BY OR ON BEHALF OF A LOCAL GOVERNMENT IS SUBJECT TO APPROVAL BY THE LOCAL GOVERNMENT COMMISSION, for concurrence in the House Committee Substitute bill, upon second reading, temporarily displaced earlier today.

The Chair rules that the House Committee Substitute bill does not require a call of the roll.

The Senate concurs in the House Committee Substitute bill (35-0) and the measure is ordered enrolled and sent to the Governor.

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 475, AN ACT TO ESTABLISH THE NORTH CAROLINA FUND FOR DISPLACED HOMEMAKERS TO BE ADMINISTERED BY THE NORTH CAROLINA COUNCIL FOR WOMEN, AND TO ESTABLISH AN ADDITIONAL CIVIL ACTION FEE TO BE COLLECTED BY THE COURT IN DIVORCE ACTIONS.

H.B. 1402, AN ACT TO DISAPPROVE 15A NCAC 2B.0233 (THE NEUSE RIVER NUTRIENT SENSITIVE WATERS MANAGEMENT STRATEGY) AS A PERMANENT RULE, TO CONTINUE 15 A NCAC 2B.O233 IN EFFECT AS A TEMPORARY RULE, TO SPECIFY HOW THE TEMPORARY RULE IS TO BE IMPLEMENTED, TO REQUIRE THE ENVIRONMENTAL MANAGEMENT COMMISSION (EMC) TÓ ADOPT RULES TO PROVIDE ALTERNATIVES TO MAINTAINING RIPARIAN BUFFERS AND TO ESTABLISH COMPENSATORY MITIGATION FEES, TO ESTABLISH THE RIPARIAN BUFFER RESTORATION FUND, TO REQUIRE THE EMC TO ADOPT RULES TO PROVIDE FOR DELEGATION OF THE RIPARIAN BUFFER PROGRAM TO UNITS OF LOCAL GOVERNMENT THAT SEEK SUCH DELEGATION, TO RECOGNIZE VESTED DEVELOPMENT RIGHTS, TO REQUIRE THE EMC TO REVISE THE TEMPORARY RULE CONTINUED IN EFFECT BY THIS ACT AND TO ADOPT A REVISED PERMANENT RULE WITH THE ASSISTANCE OF A STAKEHOLDER ADVISORY COMMITTEE, TO PROVIDE THAT EROSION CONTROL PLANS WILL BE CONSISTENT WITH RIPARIAN BUFFER REQUIREMENTS, TO REQUIRE THE EMC TO ESTABLISH A RIPARIAN BUFFER MAINTENANCE AND RESTORATION GOAL, TO AUTHORIZE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO ACCEPT DONATIONS OF REAL PROPERTY,

TO PROVIDE FOR PERIODIC REVIEW OF THE IMPLEMENTATION OF THE NEUSE RIVER NUTRIENT SENSITIVE WATERS MANAGEMENT STRATEGY AND REPORTS TO THE ENVIRONMENTAL REVIEW COMMISSION, AND TO AUTHORIZE THE EMC TO ADOPT TEMPORARY RULES TO IMPLEMENT PART I OF THIS ACT;TO AUTHORIZE TEMPORARY RULES GOVERNING COASTAL ENERGY FACILITIES; TO PROVIDE THAT FEDERAL CONSERVATION RESERVE ENHANCEMENT PROGRAM OR OTHER AVAILABLE FUNDS MAY BE USED TO PAY ASSISTED FARMER'S SHARE OF THE COST OF CERTAIN PRACTICES UNDER STATE'S AGRICULTURE COST SHARE PROGRAM FOR NONPOINT SOURCE POLLUTION CONTROL; AND TO REVISE REPORTING REQUIREMENTS.

H.B. 1023, AN ACT TO PROVIDE THAT A PERSON CHARGED WITH A DRUG TRAFFICKING OFFENSE MAY BE DENIED PRETRIAL RELEASE IN CERTAIN CIRCUMSTANCES AND TO REQUIRE EACH CLERK OF COURT TO ENSURE THAT ALL RECORDS OF DISPOSITIONS IN CRIMINAL CASES CONTAIN CERTAIN INFORMATION.

H.B. 1472, AN ACT TO ALLOW STATE AGENCIES TO RETAIN RECEIPTS FROM THE SALE OF RECYCLABLE MATERIALS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, TO CREATE THE COMMISSION ON SMALL FAMILY FARM PRESERVATION AND TO PROVIDE THAT THE DIRECTOR OF THE BUDGET MAY IDENTIFY FUNDS TO MATCH GRANT FUNDS FOR THE CENTER FOR COMMUNITY SELF-HELP.

The Enrolling Clerk reports the following bill and resolution duly ratified, properly enrolled and presented to the Office of the Secretary of State:

S.J.R. 107, A JOINT RESOLUTION PROVIDING FOR THE CONFIRMATION OF THE APPOINTMENT OF WILLIAM R. PITTMAN MADE BY THE GOVERNOR TO MEMBERSHIP ON THE NORTH CAROLINA UTILITIES COMMISSION. (Res. 46)

H.B. 1528, AN ACT TO AUTHORIZE THE TOWN OF LONG BEACH TO LEVY AN ADDITIONAL TWO PERCENT OCCUPANCY TAX TO BE USED FOR BEACH RENOURISHMENT AND PROTECTION.

CALENDAR *(Continued)*

S.B. 1279 (House Committee Substitute No. 2), A BILL TO BE ENTITLED AN ACT TO MAKE TECHNICAL AMENDMENTS TO THE GENERAL STATUTES AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, TO MAKE OTHER TECHNICAL CORRECTIONS, TO CLARIFY THAT THE ATTORNEY GENERAL MAY EXEMPT CERTAIN BUSINESS COMBINATIONS FROM THE SHAREHOLDER PROTECTION ACT, TO AUTHORIZE THE INDUSTRIAL COMMISSION TO ISSUE WRITS OF HABEAS CORPUS AD TESTIFICANDUM, TO RESTORE A PROVISION ON COMMUNITY SERVICE PASSED BUT NOT CODIFIED IN 1997, TO EXTEND THE TIME TO OBTAIN VOLUNTARY EASEMENTS FOR CERTAIN STRUCTURES OVER STATE-OWNED LANDS BY THREE YEARS, TO PROHIBIT CANDIDATES FOR SUPERIOR COURT FROM RUNNING FOR ANOTHER OFFICE AT THE SAME TIME, TO REVISE THE

APPLICABILITY CLAUSE OF THE WORKPLACE HARASSMENT LAW CONCERNING CASES DISMISSED WITHOUT PREJUDICE PRIOR TO AUGUST 15, 1998, TO PROVIDE FOR THE LICENSING OF THIRD-PARTY ADMINISTRATORS SERVING WORKERS' COMPENSATION SELF-INSURED GROUPS, TO CLARIFY THE LAW GOVERNING VEHICLE FORFEITURE TO SCHOOLS FOR DWI OFFENSES, TO EXTEND THE DATE FOR THE RURAL TRANSPORTATION PLANNING ORGANIZATION STUDY, TO PROVIDE FOR PROOF OF COMPLIANCE WITH THE MEDICAL MALPRACTICE EXPERT WITNESS RULE THROUGH LIMITED INTERROGATORIES VERIFIED BY THE EXPERT, TO CORRECT A REFERENCE TO PROBATIONARY TEACHERS IN THE BUDGET, TO RESOLVE A CONFLICT WITH THE EFFECTIVE DATE OF LEGISLATION INVOLVING MUNICIPAL INCORPORATION PROCEDURES, AND TO CORRECT AN INADVERTENT OMISSION IN THE BUDGET CONCERNING RECEIPT-SUPPORTED POSITIONS IN THE STATE TREASURER'S OFFICE, for concurrence in House Committee Substitute bill No. 2, as amended, placed on the Calendar earlier today.

Senator Ballantine announces a pair vote. If Senator Foxx were present she would vote "aye"; Senator Ballantine votes "no".

Upon motion of Senator Rand, the Senate concurs in House Committee Substitute bill No. 2, as amended, (27-2) and the measure is ordered enrolled and sent to the Governor by special messenger.

Senator Basnight, President Pro Tempore, relinquishes the gavel to the President of the Senate, Lieutenant Governor Wicker, who presides.

The Senate recesses at 1:54 P.M. to reconvene at 2:00 P.M.

RECESS

The Senate meets pursuant to recess and is called to order by the Honorable Dennis A. Wicker, Lieutenant Governor.

CONFERENCE REPORT

H.J.R. 1498

Senator Rand for the Conferees appointed to consider the differences arising between the Senate and the House of Representatives upon **H.J.R. 1498** (Committee Substitute), A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE GENERAL ASSEMBLY, submits for adoption the following report:

To: The President of the Senate
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE GENERAL ASSEMBLY, Committee Substitute Favorable 10/27/98, submit the following report:

The Senate recedes from its amendment #1, and the conferees recommend the following amendment to the bill:
On page 1, line 5, delete "on Wednesday, October 28, 1998", and substitute "at 2:30 p.m. on Thursday, October 29, 1998."

The Senate and House of Representatives agree to the same.

The conferees recommend that the Senate and the House of Representatives adopt this report.

Date conferees approved report: October 29, 1998.

S/Tony Rand	S/Richard T. Morgan S/Joanne W. Bowie
Conferee for the Senate	*Conferees for the House of Representatives*

On motion of Senator Rand, the Conference Report is adopted (26-0). A message is ordered sent to the House of Representatives informing that Honorable Body of such action.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.J.R. 1498

House of Representatives
October 29, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body with the information that the House of Representatives has adopted the report of the Conferees on Committee Substitute for HJR 1498, A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE GENERAL ASSEMBLY, to the end that when a similar action has been taken on the part of the Senate, we will order the bill enrolled.

Respectfully,
S/Denise Weeks
PRINCIPAL CLERK

ENROLLED BILLS

The Enrolling Clerk reports the following bills duly ratified for presentation to the Governor:

S.B. 873, AN ACT TO PROVIDE THAT CERTAIN TAX-EXEMPT AND TAXABLE DEBT ISSUED BY OR ON BEHALF OF A LOCAL GOVERNMENT IS SUBJECT TO APPROVAL BY THE LOCAL GOVERNMENT COMMISSION.

S.B. 1279, AN ACT TO MAKE TECHNICAL AMENDMENTS TO THE GENERAL STATUTES AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, TO MAKE OTHER TECHNICAL CORRECTIONS, TO CLARIFY THAT THE ATTORNEY GENERAL MAY EXEMPT CERTAIN BUSINESS COMBINATIONS FROM THE SHAREHOLDER PROTECTION ACT, TO AUTHORIZE THE INDUSTRIAL COMMISSION TO ISSUE WRITS OF HABEAS CORPUS AD TESTIFICANDUM, TO RESTORE A PROVISION ON COMMUNITY SERVICE PASSED BUT NOT CODIFIED IN 1997, TO EXTEND THE TIME TO OBTAIN VOLUNTARY EASEMENTS FOR CERTAIN STRUCTURES OVER STATE-OWNED LANDS BY THREE YEARS, TO PROHIBIT CANDIDATES FOR SUPERIOR COURT FROM RUNNING FOR ANOTHER OFFICE AT THE SAME TIME, TO REVISE THE APPLICABILITY CLAUSE OF THE WORKPLACE HARASSMENT LAW CONCERNING CASES DISMISSED WITHOUT PREJUDICE PRIOR TO AUGUST 15, 1998, TO PROVIDE FOR THE LICENSING OF THIRD-PARTY ADMINISTRATORS SERVING WORKERS' COMPENSATION SELF-INSURED GROUPS, TO CLARIFY THE LAW GOVERNING VEHICLE FORFEITURE TO SCHOOLS FOR DWI OFFENSES, TO EXTEND THE DATE FOR THE RURAL TRANSPORTATION PLANNING ORGANIZATION STUDY, TO PROVIDE FOR PROOF OF COMPLIANCE WITH THE MEDICAL MALPRACTICE EXPERT WITNESS RULE THROUGH LIMITED INTERROGATORIES VERIFIED BY THE EXPERT, TO CORRECT A REFERENCE TO PROBATIONARY TEACHERS IN THE BUDGET, TO RESOLVE A CONFLICT WITH THE EFFECTIVE DATE OF LEGISLATION INVOLVING MUNICIPAL INCORPORATION PROCEDURES, AND TO CORRECT AN INADVERTENT OMISSION IN THE BUDGET CONCERNING RECEIPT-SUPPORTED POSITIONS IN THE STATE TREASURER'S OFFICE.

S.B. 1125, AN ACT TO CLARIFY THAT THE PRESIDENT PRO TEMPORE OF THE SENATE APPOINTS ONE COCHAIR OF THE SCHOOL TECHNOLOGY COMMISSION; TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO MAKE ABC'S AWARDS NO LATER THAN THE SECOND REGULAR TEACHER PAYROLL; TO REQUIRE ABC'S AWARDS TO GO ONLY FOR DIRECT AWARDS TO CERTIFIED PERSONNEL AND TEACHER ASSISTANTS; TO CLARIFY THAT THE SUPERINTENDENT OR HIS DESIGNEE DEVELOPS THE SCHOOL BUS ASSIGNMENT PLAN; TO EXEMPT FROM THE SCHOOL ADMINISTRATOR EXAM INDIVIDUALS WHO OBTAINED OR RENEWED A SCHOOL ADMINISTRATOR/ SUPERVISOR CERTIFICATE DURING THE FIVE YEARS BEFORE JANUARY 1, 1998; TO AUTHORIZE THE STATE BOARD OF EDUCATION TO ADOPT POLICIES GOVERNING THE REQUIREMENTS FOR THE CERTIFICATION OF INDIVIDUALS WHO ARE CERTIFIED IN ANOTHER STATE AS SCHOOL ADMINISTRATORS; TO MOVE THE COMPETENCY TEST FROM TENTH TO NINTH GRADE; TO CLARIFY THAT THE SUPERINTENDENT MAKES DECISIONS CONCERNING SUSPENSION OR EXPULSION OF STUDENTS; TO CLARIFY THAT SUPERINTENDENTS MUST KEEP DATA ON STUDENTS WHO ARE SUSPENDED MORE THAN TEN DAYS; TO REQUIRE THE PROVISION OF REMEDIAL ASSISTANCE IN NINTH GRADE TO STUDENTS WHO FAIL TO PASS THE EIGHTH GRADE END-OF-GRADE TESTS; TO PROHIBIT PRINCIPALS OR THEIR DESIGNEES FROM WITHHOLDING A STUDENT RECORD WHEN A STUDENT TRANSFERS TO ANOTHER SCHOOL EXCEPT IN ACCORDANCE WITH FEDERAL LAW; TO AMEND THE EXCELLENT SCHOOLS ACT TO CLARIFY THAT ACTION PLANS ARE

REQUIRED FOR CERTIFIED EMPLOYEES IN LOW-PERFORMING SCHOOLS WHEN THEY RECEIVE AN UNSATISFACTORY EVALUATION RELATED TO THEIR INSTRUCTIONAL DUTIES AND TO REQUIRE LOCAL BOARDS TO ADOPT POLICIES THAT REQUIRE ACTION PLANS FOR CERTIFIED EMPLOYEES IN OTHER SCHOOLS WHO RECEIVE AN UNSATISFACTORY EVALUATION; TO ALLOW THE INITIAL CONTRACT FOR A SCHOOL ADMINISTRATOR TO BE FOR A TERM OF LESS THAN TWELVE MONTHS; TO DIRECT THE STATE BOARD OF EDUCATION TO EVALUATE THE SAFE SCHOOLS BONUS FOR PRINCIPALS AND ASSISTANT PRINCIPALS; AND TO DIRECT THE STATE BOARD OF EDUCATION AND UNC BOARD OF GOVERNORS TO DEVELOP A PROPOSAL FOR A STATEWIDE LATERAL ENTRY TEACHER LICENSURE PROGRAM.

The Enrolling Clerk reports the following resolution duly ratified, properly enrolled, and presented to the Office of the Secretary of State:

H.J.R. 1498, A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE GENERAL ASSEMBLY. (Res. 47)

CHAPTERED BILLS

The Enrolling Clerk reports the following bills properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State:

H.B. 1401, AN ACT TO ADJUST THE BOUNDARIES OF THE TOWN OF PLEASANT GARDEN TO INCLUDE THE ENTIRE RIGHT-OF-WAY OF CERTAIN ROADS. (Became law upon ratification, October 29, 1998 - S.L. 1998-205.)

H.B. 1527, AN ACT TO ALLOW THE TOWN OF YAUPON BEACH TO MAKE SPECIAL ASSESSMENTS FOR THE INSTALLATION OF UTILITIES UNDERGROUND. (Became law upon ratification, October 29, 1998 - S.L. 1998-206.)

H.B. 1528, AN ACT TO AUTHORIZE THE TOWN OF LONG BEACH TO LEVY AN ADDITIONAL TWO PERCENT OCCUPANCY TAX TO BE USED FOR BEACH RENOURISHMENT AND PROTECTION. (Became law upon ratification, October 29, 1998 - S.L. 1998-207.)

Senator Basnight, President *Pro Tempore*, offers a motion pursuant to H.J.R. 1498 (Res. 47) that the Senate adjourn in memory of everyone's mother, those with us and those not with us, seconded by all Members present, which motion prevails, with unanimous consent.

SPECIAL MESSAGE FROM THE HOUSE OF REPRESENTATIVES

The following special message is received from the House of Representatives:

H.J.R. 1498 House of Representatives
October 29, 1998

Mr. President:

It is ordered that a message be sent your Honorable Body respectfully advising that in accordance with Committee Substitute for H.J.R. 1498, A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE GENERAL ASSEMBLY, the House of Representatives has concluded the public business before it and stands ready to adjourn.

Upon receipt of a message from your Honorable Body that the Senate is ready to open its doors, the doors of the House shall be open to the end that the gavels may fall simultaneously and adjournment may be declared sine die.

Respectfully,
S/Denise Weeks
Principal Clerk

Pursuant to the message that the House of Representatives has concluded the business before it and having notified that Honorable Body that the Senate has completed the business before it, the President of the Senate declares that the Senate stands ready for adjournment, *sine die*. The President orders the doors of the Senate opened and the Speaker of the House of Representatives is perceived ready to let the gavel fall.

The motion heretofore offered by Senator Basnight, seconded by all Members present, having prevailed and the hour of adjournment *sine die* as fixed by Resolution 47 having arrived, the President of the Senate, Lieutenant Governor, Dennis A. Wicker, declares the Senate of the 1997 General Assembly adjourned, *sine die*.

DENNIS A. WICKER
President of the Senate

JANET B. PRUITT
Principal Clerk of the Senate

ADDENDUM

SENATE JOURNAL

1997 SESSION

SECOND SESSION

1998

ADDENDUM

SENATE JOURNAL

1997 SESSION

SECOND SESSION

1998

A number of bills and resolutions passed second reading and were read a third time on the same day.

Rule 50 states:

> No bill on its third reading shall be acted upon out of the regular order in which it stands on the calendar, and no bill shall be acted upon on its third reading the same day on which it passed its second reading, unless so ordered by two-thirds of the membership of the Senate present and voting.

In order to comply with this Rule, no bill which has passed its second reading is read a third time except:

(1) when a member moves that the Rule be suspended and this motion prevails by at least a two-thirds vote of the membership of the Senate present and voting, or

(2) when the Chair determines that there is no objection from any member present, which constitutes unanimous consent that Rule 50 be suspended.

In these cases, the bill is read a third time and remains before the Senate for further consideration.

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The phrase "without objection" appears throughout the Senate Journal. Upon a motion offered, this reflects a determination by the Chair that there is no objection from a member present, which constitutes unanimous consent, for the order of the Chair.

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When a bill passes its second reading and remains on the Calendar for further consideration, unless indicated otherwise the measure is placed on the Calendar for the next legislative day in its regular order of business.

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Rule 20(2) of the House of Representatives requires that *"all measures affecting a fee imposed by the State or any subdivision thereof"* are classified roll-call measures for the purpose of spreading the ayes and noes on the Journal. Though the Senate Rules do not require the same, the Rule of the House of Representatives is honored and the measures are considered as roll-call measures, unless ruled otherwise by the Presiding Officer.

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The Presiding Officer of the Senate rules in a number of instances that *"the bill does not require a call of the roll"* or *"requires a call of the roll."* The ruling is made pursuant to the following citation which reads:

North Carolina Constitution—Article II

> Sec. 23.—*Revenue bills.* No laws shall be enacted to raise money on the credit of the State, or to pledge the faith of the State directly or indirectly for the payment of any debt, or to impose any tax upon the people of the State or to allow the counties, cities, or towns to do so, unless the bill for the purpose shall have been read three several times in each house of the General Assembly and passed three

several readings, which readings shall have been on three different days, and shall have been agreed to by each house respectively, and unless the yeas and nays on the second and third readings of the bill shall have been entered on the journal.

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The numerical figures which appear within parentheses throughout the Senate Journal represent the affirmative and negative votes cast and recorded electronically, pursuant to Rule 25. Copies of the voting print-out are on file in the Legislative Library and the original is deposited in the Division of Archives and History of the Department of Cultural Resources.

Janet B. Pruitt
Principal Clerk

CHAPTERED BILLS

The following bills were properly enrolled, assigned the following Chapter Numbers, and presented to the Office of the Secretary of State after the 1998 Session adjourned on October 29:

H.B. 1023, AN ACT TO PROVIDE THAT A PERSON CHARGED WITH A DRUG TRAFFICKING OFFENSE MAY BE DENIED PRETRIAL RELEASE IN CERTAIN CIRCUMSTANCES AND TO REQUIRE EACH CLERK OF COURT TO ENSURE THAT ALL RECORDS OF DISPOSITIONS IN CRIMINAL CASES CONTAIN CERTAIN INFORMATION. (Became law upon approval of the Governor, October 30, 1998 - S.L. 1998-208.)

S.B. 1274, AN ACT TO AMEND THE LAW REGARDING THE CONTROL OF CHILDHOOD LEAD EXPOSURE. (Became law upon approval of the Governor, October 30, 1998 - S.L. 1998-209.)

H.B. 1055, AN ACT TO PROVIDE FOR THE INVESTIGATION AND RESOLUTION OF CLAIMS RESULTING FROM DEFECTIVE SEED. (Became law upon approval of the Governor, October 30, 1998 - S.L. 1998-210.)

H.B. 926, AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS. (Became law upon approval of the Governor, October 30, 1998 - S.L. 1998-211.)

S.B. 1366, AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 1997 AND TO MAKE OTHER CHANGES IN THE BUDGET OPERATION OF THE STATE. (Became law upon approval of the Governor, October 30, 1998 - S.L. 1998-212.)

H.B. 581, AN ACT TO PROVIDE A CIVIL ACTION REMEDY FOR PERSONS WHO ARE SEXUALLY EXPLOITED BY THEIR PSYCHOTHERAPIST. (Became law upon approval of the Governor, October 31, 1998 - S.L. 1998-213.)

H.B. 1362, AN ACT TO PROVIDE THAT TRANSFERRED SERVICE CREDITS MAY BE INCLUDED IN DETERMINING WHETHER A MEMBER OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM OR THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM MAY PURCHASE MILITARY SERVICE. (Became law upon approval of the Governor, October 31, 1998 - S.L. 1998-214.)

S.B. 882, AN ACT TO REQUIRE STATE AGENCIES TO DEPOSIT THE CLEAR PROCEEDS OF CIVIL PENALTIES AND CIVIL FORFEITURES INTO THE CIVIL PENALTY AND FORFEITURE FUND. (Became law upon approval of the Governor, October 31, 1998 - S.L. 1998-215.)

S.B. 809, AN ACT TO AMEND THE ARTICLE ON REFRIGERATION CONTRACTORS AND RELATING TO THE CONVEYANCE OF PROPERTY BY THE NORTH CAROLINA BOARD OF CPA EXAMINERS. (Became law upon approval of the Governor, October 31, 1998 - S.L. 1998-216.)

S.B. 1279, AN ACT TO MAKE TECHNICAL AMENDMENTS TO THE GENERAL STATUTES AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, TO MAKE OTHER TECHNICAL CORRECTIONS, TO CLARIFY THAT THE ATTORNEY GENERAL MAY EXEMPT CERTAIN BUSINESS COMBINATIONS FROM THE SHAREHOLDER PROTECTION ACT, TO AUTHORIZE THE INDUSTRIAL COMMISSION TO ISSUE WRITS OF HABEAS CORPUS AD TESTIFICANDUM, TO RESTORE A PROVISION ON COMMUNITY SERVICE PASSED BUT NOT CODIFIED IN 1997, TO EXTEND THE TIME TO OBTAIN VOLUNTARY EASEMENTS FOR CERTAIN STRUCTURES OVER STATE-OWNED LANDS BY THREE YEARS, TO PROHIBIT CANDIDATES FOR SUPERIOR COURT FROM RUNNING FOR ANOTHER OFFICE AT THE SAME TIME, TO REVISE THE APPLICABILITY CLAUSE OF THE WORKPLACE HARASSMENT LAW CONCERNING CASES DISMISSED WITHOUT PREJUDICE PRIOR TO AUGUST 15, 1998, TO PROVIDE FOR THE LICENSING OF THIRD-PARTY ADMINISTRATORS SERVING WORKERS' COMPENSATION SELF-INSURED GROUPS, TO CLARIFY THE LAW GOVERNING VEHICLE FORFEITURE TO SCHOOLS FOR DWI OFFENSES, TO EXTEND THE DATE FOR THE RURAL TRANSPORTATION PLANNING ORGANIZATION STUDY, TO PROVIDE FOR PROOF OF COMPLIANCE WITH THE MEDICAL MALPRACTICE EXPERT WITNESS RULE THROUGH LIMITED INTERROGATORIES VERIFIED BY THE EXPERT, TO CORRECT A REFERENCE TO PROBATIONARY TEACHERS IN THE BUDGET, TO RESOLVE A CONFLICT WITH THE EFFECTIVE DATE OF LEGISLATION INVOLVING MUNICIPAL INCORPORATION PROCEDURES, AND TO CORRECT AN INADVERTENT OMISSION IN THE BUDGET CONCERNING RECEIPT-SUPPORTED POSITIONS IN THE STATE TREASURER'S OFFICE. (Became law upon approval of the Governor, October 31, 1998 - S.L. 1998-217.)

S.B. 1554, AN ACT TO AMEND THE EXCISE TAX ON CONTROLLED SUBSTANCES. (Became law upon approval of the Governor, October 31, 1998 - S.L. 1998-218.)

S.B. 475, AN ACT TO ESTABLISH THE NORTH CAROLINA FUND FOR DISPLACED HOMEMAKERS TO BE ADMINISTERED BY THE NORTH CAROLINA COUNCIL FOR WOMEN, AND TO ESTABLISH AN ADDITIONAL CIVIL ACTION FEE TO BE COLLECTED BY THE COURT IN DIVORCE ACTIONS. (Became law upon approval of the Governor, November 4, 1998 - S.L. 1998-219.)

S.B. 1125, AN ACT TO CLARIFY THAT THE PRESIDENT PRO TEMPORE OF THE SENATE APPOINTS ONE COCHAIR OF THE SCHOOL TECHNOLOGY COMMISSION; TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO MAKE ABC'S AWARDS NO LATER THAN THE SECOND REGULAR TEACHER PAYROLL; TO REQUIRE ABC'S AWARDS TO GO ONLY FOR DIRECT AWARDS TO CERTIFIED PERSONNEL AND TEACHER ASSISTANTS; TO CLARIFY THAT THE SUPERINTENDENT OR HIS DESIGNEE DEVELOPS THE SCHOOL BUS ASSIGNMENT PLAN; TO EXEMPT FROM THE SCHOOL ADMINISTRATOR EXAM INDIVIDUALS WHO OBTAINED OR RENEWED A SCHOOL ADMINISTRATOR/ SUPERVISOR CERTIFICATE DURING THE FIVE YEARS BEFORE JANUARY 1, 1998; TO AUTHORIZE THE STATE BOARD OF EDUCATION TO ADOPT POLICIES GOVERNING THE REQUIREMENTS FOR THE CERTIFICATION OF INDIVIDUALS WHO ARE CERTIFIED IN ANOTHER STATE AS SCHOOL ADMINISTRATORS; TO MOVE THE COMPETENCY TEST FROM

TENTH TO NINTH GRADE; TO CLARIFY THAT THE SUPERINTENDENT MAKES DECISIONS CONCERNING SUSPENSION OR EXPULSION OF STUDENTS; TO CLARIFY THAT SUPERINTENDENTS MUST KEEP DATA ON STUDENTS WHO ARE SUSPENDED MORE THAN TEN DAYS; TO REQUIRE THE PROVISION OF REMEDIAL ASSISTANCE IN NINTH GRADE TO STUDENTS WHO FAIL TO PASS THE EIGHTH GRADE END-OF-GRADE TESTS; TO PROHIBIT PRINCIPALS OR THEIR DESIGNEES FROM WITHHOLDING A STUDENT RECORD WHEN A STUDENT TRANSFERS TO ANOTHER SCHOOL EXCEPT IN ACCORDANCE WITH FEDERAL LAW; TO AMEND THE EXCELLENT SCHOOLS ACT TO CLARIFY THAT ACTION PLANS ARE REQUIRED FOR CERTIFIED EMPLOYEES IN LOW-PERFORMING SCHOOLS WHEN THEY RECEIVE AN UNSATISFACTORY EVALUATION RELATED TO THEIR INSTRUCTIONAL DUTIES AND TO REQUIRE LOCAL BOARDS TO ADOPT POLICIES THAT REQUIRE ACTION PLANS FOR CERTIFIED EMPLOYEES IN OTHER SCHOOLS WHO RECEIVE AN UNSATISFACTORY EVALUATION; TO ALLOW THE INITIAL CONTRACT FOR A SCHOOL ADMINISTRATOR TO BE FOR A TERM OF LESS THAN TWELVE MONTHS; TO DIRECT THE STATE BOARD OF EDUCATION TO EVALUATE THE SAFE SCHOOLS BONUS FOR PRINCIPALS AND ASSISTANT PRINCIPALS; AND TO DIRECT THE STATE BOARD OF EDUCATION AND UNC BOARD OF GOVERNORS TO DEVELOP A PROPOSAL FOR A STATEWIDE LATERAL ENTRY TEACHER LICENSURE PROGRAM. (Became law upon approval of the Governor, November 5, 1998 - S.L. 1998-220.)

H.B. 1402, AN ACT TO DISAPPROVE 15A NCAC 2B.0233 (THE NEUSE RIVER NUTRIENT SENSITIVE WATERS MANAGEMENT STRATEGY) AS A PERMANENT RULE, TO CONTINUE 15 A NCAC 2B.O233 IN EFFECT AS A TEMPORARY RULE, TO SPECIFY HOW THE TEMPORARY RULE IS TO BE IMPLEMENTED, TO REQUIRE THE ENVIRONMENTAL MANAGEMENT COMMISSION (EMC) TO ADOPT RULES TO PROVIDE ALTERNATIVES TO MAINTAINING RIPARIAN BUFFERS AND TO ESTABLISH COMPENSATORY MITIGATION FEES, TO ESTABLISH THE RIPARIAN BUFFER RESTORATION FUND, TO REQUIRE THE EMC TO ADOPT RULES TO PROVIDE FOR DELEGATION OF THE RIPARIAN BUFFER PROGRAM TO UNITS OF LOCAL GOVERNMENT THAT SEEK SUCH DELEGATION, TO RECOGNIZE VESTED DEVELOPMENT RIGHTS, TO REQUIRE THE EMC TO REVISE THE TEMPORARY RULE CONTINUED IN EFFECT BY THIS ACT AND TO ADOPT A REVISED PERMANENT RULE WITH THE ASSISTANCE OF A STAKEHOLDER ADVISORY COMMITTEE, TO PROVIDE THAT EROSION CONTROL PLANS WILL BE CONSISTENT WITH RIPARIAN BUFFER REQUIREMENTS, TO REQUIRE THE EMC TO ESTABLISH A RIPARIAN BUFFER MAINTENANCE AND RESTORATION GOAL, TO AUTHORIZE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO ACCEPT DONATIONS OF REAL PROPERTY, TO PROVIDE FOR PERIODIC REVIEW OF THE IMPLEMENTATION OF THE NEUSE RIVER NUTRIENT SENSITIVE WATERS MANAGEMENT STRATEGY AND REPORTS TO THE ENVIRONMENTAL REVIEW COMMISSION, AND TO AUTHORIZE THE EMC TO ADOPT TEMPORARY RULES TO IMPLEMENT PART I OF THIS ACT; TO AUTHORIZE TEMPORARY RULES GOVERNING COASTAL ENERGY FACILITIES; TO PROVIDE THAT FEDERAL CONSERVATION RESERVE ENHANCEMENT PROGRAM OR OTHER AVAILABLE FUNDS MAY BE USED TO PAY ASSISTED FARMER'S SHARE OF THE COST OF CERTAIN

PRACTICES UNDER STATE'S AGRICULTURE COST SHARE PROGRAM FOR NONPOINT SOURCE POLLUTION CONTROL; AND TO REVISE REPORTING REQUIREMENTS. (Became law upon approval of the Governor, November 5, 1998 - S.L. 1998-221.)

S.B. 873, AN ACT TO PROVIDE THAT CERTAIN TAX-EXEMPT AND TAXABLE DEBT ISSUED BY OR ON BEHALF OF A LOCAL GOVERNMENT IS SUBJECT TO APPROVAL BY THE LOCAL GOVERNMENT COMMISSION. (Became law upon approval of the Governor, November 5, 1998 - S.L. 1998-222.)

H.B. 1472, AN ACT TO ALLOW STATE AGENCIES TO RETAIN RECEIPTS FROM THE SALE OF RECYCLABLE MATERIALS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION, TO CREATE THE COMMISSION ON SMALL FAMILY FARM PRESERVATION AND TO PROVIDE THAT THE DIRECTOR OF THE BUDGET MAY IDENTIFY FUNDS TO MATCH GRANT FUNDS FOR THE CENTER FOR COMMUNITY SELF-HELP. (Became law upon approval of the Governor, November 5, 1998 - S.L. 1998-223.)

S.B. 1428, AN ACT TO APPOINT PERSONS TO VARIOUS PUBLIC OFFICES UPON THE RECOMMENDATION OF THE PRESIDENT PRO TEMPORE OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND TO EXPAND THE STRUCTURAL PEST CONTROL COMMITTEE. (Became law upon approval of the Governor, November 5, 1998 - S.L. 1998-224.)

H.B. 1448, AN ACT TO AMEND THE FISHERIES REFORM ACT OF 1997 AND RELATED MARINE FISHERIES LAWS AND TO RECOGNIZE THE COMMON LAW RIGHT OF THE PUBLIC TO THE CUSTOMARY FREE USE AND ENJOYMENT OF THE OCEAN BEACHES. (Became law upon approval of the Governor, November 5, 1998 - S.L. 1998-225.)

S.B. 1124, AN ACT TO ALLOW LOCAL BOARDS OF EDUCATION TO EMPLOY TEACHERS WHO ARE LEGALLY CERTIFICATED IN ANOTHER STATE EVEN THOUGH THEY MAY NOT BE CERTIFICATED IN NORTH CAROLINA, AND TO PROVIDE AN ALTERNATIVE METHOD FOR LOCAL BOARDS TO HIRE LATERAL ENTRY TEACHERS. (Became law upon approval of the Governor, November 5, 1998 - S.L. 1998-226.)

H.B. 74, AN ACT TO CREATE MEDICARE PROVIDER SPONSORED ORGANIZATION LICENSING. (Became law upon approval of the Governor, November 5, 1998 - S.L. 1998-227.)

S.B. 1552, AN ACT TO MAKE CHANGES TO THE NOTARY PUBLIC ACT, TO EXEMPT SOME MAPS FROM THE CERTIFICATION REQUIREMENT, TO AUTHORIZE THE SECRETARY OF STATE TO AUTHENTICATE DOCUMENTS, AND TO GIVE RELIEF TO CORPORATIONS AND LIMITED LIABILITY COMPANIES THAT HAVE BEEN ADMINISTRATIVELY DISSOLVED OR MAY BE ADMINISTRATIVELY DISSOLVED BECAUSE OF FAILURE TO FILE A CORPORATE ANNUAL REPORT. (Became law upon approval of the Governor, November 6, 1998 - S.L. 1998-228.)

H.B. 1720, AN ACT TO AMEND THE GENERAL STATUTES PERTAINING TO CUSTODY OF ABUSED AND NEGLECTED JUVENILES AND JUVENILES PLACED FOR ADOPTION IN CONFORMANCE WITH FEDERAL ADOPTION AND SAFE FAMILIES ACT REQUIREMENTS, AND TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY CHANGES TO THE JUVENILE JUSTICE SYSTEM PERTAINING TO CHILD ABUSE, NEGLECT, AND DEPENDENCY. (Became law upon approval of the Governor, November 6, 1998 - S.L. 1998-229.)

S.B. 916, AN ACT TO REWRITE THE LAWS REGULATING COSMETIC ART AND TO REGULATE THE PRACTICE OF MASSAGE AND BODYWORK THERAPY. (Became law upon approval of the Governor, November 6, 1998 - S.L. 1998-230.)

BILLS REMAINING IN THE SENATE
1997 SESSION
SECOND SESSION 1998

The following bills and resolutions remain in the Senate after adjournment *sine die* to be transferred to the Division of Archives and History of the Department of Cultural Resources upon adjournment *sine die* of the 1999 General Assembly. In some instances, identical House or Senate bills may have been ratified.

AGRICULTURE /ENVIRONMENT/NATURAL RESOURCES COMMITTEE

S	120	Agriculture Cost Share Funding Limits.
S	177	Clean Water Trust Fund/Loans Okay.
S	191	Remove Odor Control Study Match.
S	192	Facilitate Animal Waste Mgt. Research.
S	194	Amend Environmental Laws.
S	195	Agriculture Department Name Change.
S	221	Nitrogen Limit for Certain Waters.
S	259	Backup Power for Wastewater Systems.
S	478	Amend Swine Farms Laws.
S	755	No Low-Level Facility in Floodplain.
S	954	Exotic Animal Registry.
S	969	Air Quality Standard/Hog Farms.
S	984	Environmental Policy.
S	985	Alternate Landfill Liner.
S	1002	Strengthen Mining Act.
S	1018	Nutrient/Pesticide Mgt. Education.
S	1041	Low Pressure Pipe Emergency Funds.
S	1043	Comprehensive Water Quality Management.
S	1265	Beach Renourishment/Reserve Funds.
S	1302	Swine Integrator Register Growers.
S	1304	Study Lagoon Phase Out Implementation.
S	1315	Study Lagoon Closure.
S	1329	Water Quality Fees/End CDE LUST Cleanups.
S	1331	End CDE LUST Cleanups.
S	1598	Disapproved LUST Risk-Assessment Rules.
H	16	No Liquid Animal Waste/Floodplains.
H	188	Environmental Technical Corrections.
H	734	Clarifying G.S. 153A-15.
H	1009	Notice of Hazardous Discharge.
H	1011	Low Pressure Pipe Systems Report.
H	1037	Sale of Certain Exotic Meats.
H	1120	Prescribed Burning in Forests.
H	1479	Study Lagoon Phase Out Implementation.

APPROPRIATIONS COMMITTEE

S	4	Safe Schools Act of 1997.
S	6	Revise School Calendar.
S	9	Embezzlement/Increase Penalty.
S	12	Habitual DWI/Active Time.
S	22	Dry Hydrant Funds.
S	37	DHR Reorganization Oversight Comm.

APPROPRIATIONS COMMITTEE (continued)

S	45	Transfer Ports Authority to DOT.
S	50	Alzheimer's Association/Funds.
S	74	Funds for Agriculture and Forestry Study Comm.
S	80	UNC Alcohol Ed. Endowment Fund.
S	94	Earmark Corporation Tax for Ports.
S	100	Economic Development Funds.
S	101	Folkmoot USA Funds.
S	108	Strike Out Stroke Project.
S	109	Physical Fitness Act.
S	111	Citizen Water Quality Monitoring.
S	112	Center App. Textile Tech/Cap. Funds.
S	113	Wetlands Restoration Program Funds.
S	118	Accident Prevention Course Reduction.
S	123	Exempt Audiovisual Masters.
S	137	State Revolving Water Fund Account.
S	144	Comm. College Scholarship Program.
S	145	IV-D UIFSA Cases/Represent.
S	158	Administrative Dissolution/Annual Ret.
S	175	Conservation Easements Funds.
S	190	Increase Pension Benefits.
S	193	Fund On-Site Wastewater Systems Study.
S	215	State Board of Education/Funding Request.
S	217	Motor Fuels Lab Funds.
S	220	Funds/Animal Waste Analysis.
S	222	Low -Wealth School Supplemental Funds.
S	230	Uptown Greenville Design Funds.
S	231	Washington Old City Hall Funds.
S	238	City Water System Relocation Costs.
S	239	Mosquito Control Funds.
S	252	SE Community College Funds.
S	269	Turnage Theaters Funds.
S	270	Washington Festival Funds.
S	271	Small Business Capital and Growth Act.
S	274	Charter School Start-Up Funds.
S	275	Funds/Expand Mountain State Fair.
S	277	Museum of Life and Science Funds.
S	298	English as a Second Language/Funds.
S	306	NC High School AA Capital Funds.
S	335	Env. Farming Systems Funds/AB.
S	336	Env. Farming Research Funds/AB.
S	337	Salmonella Testing Funds/AB.
S	338	Fire Tower Funds.
S	341	Pitt CC Industrial Bldg. Funds.
S	342	Beaufort CC Building Funds.
S	344	School Violence Funds.
S	354	Fayetteville Forestry Capital Funds.
S	355	Art for Public Places.
S	357	Ayden Farmers Market Funds.
S	358	1898 Wilmington Historic Funds.
S	367	Eliminate Medicaid Prescription Limit.
S	375	Franklin/Authorize Magistrate.

APPROPRIATIONS COMMITTEE (continued)

S 380 Albemarle Food Bank Funds.
S 381 N.C. Clean Election Act.
S 387 ADVP Funds.
S 397 Pine Forest Cemetery Funds.
S 399 NC Biotechnology Center Funds.
S 412 Macon Dept. of Aging Funds.
S 448 Forest Resources Personnel Funds/AB.
S 449 Artifact Storage/Lab Funds.
S 454 South Mountains Gamelands Funds.
S 467 Funds for Parental Savings Trust Fund.
S 491 Appropriations Blank Bill-2.
S 493 State Bar Funds.
S 494 Public Defender/Appellate Defender Retirement.
S 496 Appropriations Blank Bill-1.
S 497 Appropriations Blank Bill-2.
S 520 Western Carolina Univ. Arts Center Funds.
S 526 Onslow Emergency Center Funds.
S 528 Drainage Ways/Debris Removal Funds.
S 538 Professional Firefighters' Retirement.
S 543 Appropriations Sunshine.
S 547 Cued Speech Funds.
S 549 Agricultural Loan Funds/AB.
S 560 Expand Technology in Schools.
S 567 Nonprofit Housing Funds.
S 576 NC Council for Women Funds.
S 592 Relocate Abandoned Cemeteries.
S 596 Economic Development Funds.
S 598 Special Needs Children Funds.
S 607 Shaw Speaks Center Funds.
S 608 Extradition Costs.
S 609 Insurance Dept. Audit Recommendations.
S 621 Hamlet Opera House Restoration Funds.
S 622 Richmond Capital Funds.
S 623 Guilford Juvenile Detention Funds.
S 634 AIDS Prevention Funds.
S 638 AVID Program Pilots/3 School Units.
S 642 Columbus Economic Dev. Funds.
S 644 Museum of Forestry Funds.
S 653 Tobacco Farm Museum Funds.
S 655 Cumberland Child Care Center.
S 661 Broughton Hospital Funds.
S 662 Classroom Management Programs Funds.
S 680 Polymers Extension Program Funds.
S 685 Birchwood Cemetery Funds.
S 686 NC Arts Council Funds.
S 688 School Attuned Program Funds.
S 692 NC's Southeast Funds.
S 693 Mid-State Visitors Center Funds.
S 704 Drug Testing Costs.
S 709 Recovery of Discretionary Funds.
S 728 Funds/Healthy Carolinians.

APPROPRIATIONS COMMITTEE (continued)

S	729	Batterers' Program Funds.
S	742	Pamlico-Tar River Funds.
S	746	Guilford Teen Court Funds.
S	748	African-American Storytellers Funds.
S	749	Integrated Pest control Funds.
S	750	Sustainable Agriculture Funds.
S	751	Broughton Hospital Funds.
S	754	Unemployment Benefits Spousal Changes.
S	756	NCSU Arboretum Planning Funds.
S	758	Hickory Library Funds.
S	761	Youngsville Branch Library Funds.
S	766	Fountain Library Funds.
S	767	CH State Historic Site Funds.
S	769	NC A&T Funds.
S	770	Child Care Reimbursement Funds.
S	772	Business Incubator Funds.
S	773	Carrboro Music Festival Funds.
S	775	Central Children's Home Funds.
S	778	Fire Marshal Retirement.
S	783	Jones Co. Civic Center Funds.
S	788	Rural Economic Dev. Funds.
S	789	Blue Ridge CC Funds.
S	794	Funds for Medical Evaluations.
S	798	CMAST Capital Funds.
S	802	ECU'S Walker Center Funds.
S	803	Main Street Incentive Fund.
S	813	FSU Fine Arts Center Funds.
S	822	Building Code Officials/Training.
S	832	Modify State Employee Reimbursement.
S	836	Twin Co. Rural Health Center Funds.
S	839	Medical Evaluation Program Funds.
S	849	Increase State Employees Travel Rates.
S	852	Communities in Schools Funds.
S	854	Native American Park Funds/Study.
S	856	Chatham Funds for Siting Costs.
S	895	U.S.S. NC Battleship Funds.
S	898	VFD Workers' Compensation/Appr.
S	899	Addiction Research Auth.
S	917	NC Transportation Museum Funds.
S	928	Funds/Expand Community Link.
S	939	Eastern AHEC Funds.
S	949	OSHA Ergonomic Standards Funds.
S	960	Adult-Student Ratio Reductions.
S	976	Tarheel Academy Funds.
S	978	Farm Environmental Compliance Fund.
S	988	OSHA Ergonomic Standards Funds.
S	1020	Earned Income Disregard Funds.
S	1032	Amend LEO Retirement Def'n/Funds.
S	1035	Modify Food Tax/Merchant's Discount.
S	1069	FSU/Pembroke Teacher Ed. Consortium.
S	1090	Museum of Forestry Funds.

APPROPRIATIONS COMMITTEE (continued)

S	1098	Cooleemee Historic Site Funds.
S	1109	Cliffs of the Neuse Park Funds.
S	1110	Wayne Agriculture Fair Capital Funds.
S	1127	Incentives for Principals/Low-Perf. Schs.
S	1136	NC TDA Funds.
S	1156	Funding for Legal Services.
S	1164	NC High School AA Capital Funds.
S	1174	Long-Term Care Reform Funds.
S	1181	Regional Development Funds.
S	1183	Fayetteville Public Works Retirement.
S	1201	WCMA Incubator Expansion Funds.
S	1210	Broughton Adoles. Unit Funds.
S	1215	Funds for Cancer Testing.
S	1216	Lake Norman YMCA Funds.
S	1219	Charlotte Museum of History Funds.
S	1235	Wake Local Act.
S	1240	Small Business Information Assistance.
S	1244	IV-D UIFSA Cases/Represent.
S	1247	Oregan Inlet Recommendations.
S	1250	SUD Program Funds.
S	1253	NC Humanities Council Funds.
S	1259	Low-Wealth Supplemental School Funds.
S	1261	Sandhill Regional Library Funds.
S	1264	Economic Development Funds.
S	1266	Beach Erosion Control Funds.
S	1281	NC Gold Discovery/Funds.
S	1294	Extend/Expand Environmental Health Study.
S	1296	Assistance Teams/Additional Funds.
S	1301	Southern Dairy Compact Commission Funds.
S	1306	Conservation Easements Program Funds.
S	1326	Extend Bond Match Deadline.
S	1335	Funds for Institute of Medicine.
S	1337	School Nurse Funds.
S	1340	Civil Rights Center/Museum Funds.
S	1348	Civil War Sites Funds.
S	1350	Bridges Project Funds.
S	1352	UNC Nonappropriated Cap. Projects.
S	1358	English as a 2nd Language Funds.
S	1359	School Technology Funds.
S	1367	Funds/ALJs for AOH.
S	1376	Pseudorabies Eradication Funds.
S	1379	N.C. Memorial Hospital Funds.
S	1380	NC A&T Coop. Extension Funds.
S	1386	Charter School Start-Up Funds.
S	1387	Pesticide/Food Laboratories Funds.
S	1394	Adoption Registry.
S	1404	Region L COG Funds.
S	1405	NC Institute of Medicine Funds.
S	1406	Franchise Distribution Repayment.
S	1409	Campbell Folk School Funds.
S	1411	Judicial Assistant Funds.

APPROPRIATIONS COMMITTEE (continued)

S 1413 UNC-Chapel Hill/Student Project Funds.
S 1414 NC LEAF Funds.
S 1421 Teacher Assistant Salary Funds.
S 1423 Parenting Program Funds.
S 1426 Increase Autopsy Fee.
S 1427 School Utility Costs Shared by State.
S 1429 Anorexia/Bulimia Funds.
S 1435 Penland School Capital Funds.
S 1441 Sandhills Region Captial Funds.
S 1443 Highway Patrol Helicopter Pad Funds.
S 1444 NCSU Arboretum/Capital Funds.
S 1445 Tar-Pamlico Environment Education Funds.
S 1446 Piedmont Triad Farmers Market Funds.
S 1447 Environmental Farming Funds.
S 1448 Eastern Agriculture Center Funds.
S 1450 Community Festival Tax Exemption.
S 1462 Funds/Asthma Management.
S 1463 1998 Retirement Benefits Act.
S 1468 Homes/Community Partnership Funds.
S 1469 Cultural Resources Funds.
S 1471 WNC Agricultural Center Funds.
S 1487 Expand Public School Technology.
S 1491 Scotland Community College Capital Funds.
S 1497 Increase Court Fees.
S 1498 Fish Hatchery Funds.
S 1499 FFA Capital Improvement Funds.
S 1504 Agriculture Finance Loan Funds.
S 1512 Durham County Bikeways Funds.
S 1515 Polk House Restoration Funds.
S 1517 Retired Teachers/Retirement Benefits.
S 1519 Judicial Assistant Funds.
S 1524 School Leadership Pilot Funds.
S 1527 Increase Court Fees.
S 1533 Community College Expansion Funds.
S 1534 Healthy Carolinians Center.
S 1535 Scholarship Student-NC Resident.
S 1536 Reclassify Branch Museum Directors.
S 1543 Funds for Transit Authority.
S 1544 Union House Rehab. Facility Funds.
S 1546 Lincoln Education Foundation Funds.
S 1549 Huskins Bill Incentive Funds.
S 1550 Zero-Tolerance Drug Supervision/Funds.
S 1553 Community College Enrollment.
S 1555 VFD/EMS Defribillator Funds.
S 1558 NCSU Agriculture Research/Extension Funds.
S 1560 Duplin Multipurpose Center Funds.
S 1561 Outer Banks Education Funds.
S 1562 Bilingual Teacher Assistant Funds.
S 1564 Food Safety Program Funds.
S 1566 Multiflora Rose Control Funds.
S 1570 Sanitation Program Funds.

APPROPRIATIONS COMMITTEE (continued)

S	1572	Stop Funds for LLRW Siting.
S	1573	Cumberland State Park Funds.
S	1574	Cumberland Industrial Park Funds.
S	1576	Topsail Island Restoration Funds.
S	1578	UNC Hospitals.
S	1581	Department of Insurance Funds.
S	1582	General Government Operating Funds.
S	1585	Low-Performance School Scholarship Funds.
S	1586	NCSU Salary Funds.
H	27	Increase Penalty/Pyramid Schemes.
H	66	Trespass/Theft of Pine Straw.
H	137	Aggravating Factor/Injure Official.
H	141	Embezzlement/Increase Penalty.
H	142	Amend Accessory After the Fact.
H	144	Voluntary Manslaughter/Class D Felony.
H	158	Commit Offenses in Prison/Increase Penalty.
H	159	Escape from Prison/Reclassify Offenses.
H	240	Remove Odor Control Study Match.
H	584	Attempting to Elude Arrest.
H	594	Injury to Pregnant Woman.
H	672	County Construction of Forestry Buildings.
H	770	Amend Marijuana Trafficking Amts.
H	904	Life Imprison./Repeat Child Molester.
H	1049	Increase Cruelty to Animals Penalty.
H	1319	Extend Bond Match Deadline.

CHILDREN AND HUMAN RESOURCES COMMITTEE

S	44	Grandparent Visitation.
S	52	Adult Care Homes Annual Reporting Req.
S	54	Residency Requirements for Special Assistance.
S	212	Day Care/Playground Equipment.
S	213	Amend Family Care Home Reporting.
S	308	Dependent Juvenile Definition Change.
S	413	OB-GYN Access/Medicaid Recipients.
S	422	Reduce County Share/Payments.
S	481	Glaucoma Program Repealed/AB.
S	536	Ban Partial-Birth Abortions.
S	690	Needle Exchange Pilot Program.
S	735	County Control of Human Services.
S	774	DHR Secretary Salary Flexibility.
S	946	Improve Child Protection/Records.
S	1047	Amend Psychology Practice Act.
S	1232	Clarified Child Care Publication.
S	1233	Child Care Changes.
S	1305	Childhood Lead Exposure Amendments.
S	1321	Biometrics Technical Corrections.
S	1323	Welfare Law Corrections.
S	1526	Welfare Law Improvement/Funds.
H	165	Lodging Establishment/Sanitation.
H	186	Foster Care Criminal Check Correction.
H	303	Ban Partial-Birth Abortions.

CHILDREN AND HUMAN RESOURCES COMMITTEE (continued)

H	327	Area Mental Health Board Appointments.
H	536	Abortion/Right to Know.
H	564	Supervising Dental Hygienists.
H	1376	Clarified Child Care Publication.

COMMERCE COMMITTEE

S	31	Amend LP Gas Code.
S	133	Pineville Telephone System.
S	233	Scope/Acts of Debt Collectors.
S	295	Greyhound Racing Prohibited.
S	318	Securities Act Amendments/AB.
S	408	Renewable Resource Energy.
S	485	Medical Investigators/AB.
S	527	Increase State Minimum Wage.
S	563	Amend Housing Authorities Law.
S	568	Manufactured Home Owners' Bill of Rights.
S	574	Require Work Breaks.
S	575	Motor Vehicle Dealers/Manufacturers License Law.
S	646	Official State Dance.
S	710	Leland/Belville Annexation Restrictions.
S	787	Engineering and Land Surveying Changes.
S	808	Prohibit ATM Surcharage.
S	818	Downtown Loan Guarantee Fund.
S	846	Retailers to Accept Goods for Disposal.
S	863	Areas Codes/National Security.
S	986	Workforce Development Consolidation.
S	990	Medical Records/Disability.
S	1044	Private Personnel Services Fees.
S	1088	Corporate Conversions.
S	1141	Cemetery Reg. Changes.
S	1170	Electronic Commerce Act.
S	1272	Building Code Council/Economic Impact.
S	1286	Amend Pharmacy Practice Act.
S	1324	Keg Regis./19-20 Loophole Closed.
S	1355	Pharmacy Bd./Disapprove Rule.
H	114	Repeal UCC Article on Bulk Transfers.
H	160	Interstate Economic Development Zones.
H	470	Medical Investigators/AB.
H	940	Worker's Compensation/Realtor Status.
H	997	Notary Commission Amendment.
H	1074	Representations to Consolidate Debts.
H	1758	Enabling/Display of U.S. Flag.

CONFERENCE COMMITTEE

S	424	Wake Forest Annexations/Lee Elections.
S	684	Durham/City Development Review Board.
S	843	Insurance Technical Changes.
S	918	Notice of Hazardous Discharge.

EDUCATION/HIGHER EDUCATION COMMITTEE

S	83	School Admin. Standards Exemption.

EDUCATION/HIGHER EDUCATION COMMITTEE (continued)

S	196	Three Strikes for Disruptive Students.
S	236	Student Discipline/No Civil Liability.
S	468	Postsecondary Education Program.
S	472	Higher Ed. Admission Requirements.
S	640	Community-Based School Assignments.
S	937	University Summer Program Mission Changed.
S	983	Clarify Board of Governors Conflicts.
S	995	Notify Parents of Class-size Exceptions.
S	1151	Public School Purchasing Flexibility.
S	1152	Community College Trustee Eligibility.
S	1267	School Access Roads.
S	1271	Pilot Program/Additional School Days.
S	1297	Encourage Year-Round Schools.
S	1298	ABC's Plan for DHHS Schools.
S	1317	Pilot Program/Add'l. School Days.
S	1318	Extra Duties/New Teachers.
S	1319	Encourage Year -Round School.
S	1320	ABC'S Plan for DHHS Schools.
S	1395	UNC-School Admin. Programs.
S	1583	NCSU Centennial Campus.
H	11	Craven Schools' Snow-Day Flexibility.
H	89	Juv. Probation/School Notification.
H	511	Evolution Not Taught as Fact.
H	628	Military Job Interviews.
H	1046	N.C. Partnership Audit Process.
H	1487	Extra Duties/New Teachers.

FAIL TO PASS

S	456	Cartways Sunset Off.

FINANCE COMMITTEE

S	25	Reduce Food Tax.
S	36	Uniform Tax on Piped Natural Gas.
S	41	No Sales Tax on Prescription Drugs.
S	48	Credit for Long-Term Care Insurance.
S	56	Catawba Annexations.
S	82	Refund Intangibles Tax with Interest.
S	127	Dry-Cleaning Solvent Cleanup Act.
S	147	Birth/Death Certificate Fee Increased.
S	149	Graduated Drivers Licenses.
S	163	Securities Transfer on Death.
S	165	Increase Nonitemizer Charity Credit.
S	166	Expand Corporate Charitable Deduction.
S	176	Conservation Easements/Tax Credit.
S	179	Exempt All Intangible Property.
S	185	No Tax on Intangible Property.
S	197	Repeal Sunset on FICA Saving Use.
S	237	Manicurists Licensing Changes.
S	261	Well Contractors Certification.
S	280	Earned Income Tax Credit.
S	314	Public College Sales Tax Refunds.

FINANCE COMMITTEE (continued)

S 315 School District Sales Tax Refunds.
S 328 Lower Food Tax Two Cents More.
S 365 Property Tax Clerical Error.
S 404 School Bond Interest Use.
S 446 Low-Income and Deceased Retirees.
S 469 Cabarrus Revenue Options for Schools.
S 477 Septic Tank Systems BMPs.
S 480 Increase Rabies Tag Fee/AB.
S 482 Permit Fees/AB.
S 484 Vital Records Access/AB.
S 487 Credit for Hiring Reserve and Guard.
S 489 Madison Occupancy Tax.
S 501 Roxboro Charter.
S 518 Local Choice: 1-Year 1-Cent Sales Tax/Vote.
S 522 Avery Occupancy Tax.
S 548 Stokes/Delinquent Property Taxes.
S 559 Increase Court Costs.
S 629 Expedite Johnston School Construction.
S 630 Carrboro Charter Amendments.
S 633 Chatham Conveyance Tax.
S 635 Expand Interstate Highways.
S 639 Sheriff's Registration Plate.
S 654 Orthopaedic Physician Assistants.
S 687 Reduce Farm/Industry Fuel Tax.
S 689 Credit for Hiring Welfare Recipients.
S 701 Donations for Breast Cancer Research.
S 724 Wake Towns Impact Fees.
S 737 Kannapolis Property Acquisitions.
S 738 Unemployment Benefits/Tax Changes.
S 781 Amend Costs of Administration.
S 793 Optometry Changes.
S 805 Ports Authority Sales Tax Refund.
S 817 Reinvestment Tax Credits.
S 829 Credit for Hiring Welfare Recipients.
S 841 Modify Corporate Dividend Taxation.
S 850 Spay/Neuter Program.
S 857 UNC Bonds.
S 858 School Administrator's Exam Fee Increased.
S 867 1997 Lottery.
S 874 Resolution of Seed Claims.
S 883 Manufactured Home Property Tax.
S 913 Local Transit Revenue Options.
S 925 UNC Military Tuition.
S 926 Smart Start Fund/AB.
S 956 Venture Capital Investment Incentive.
S 965 Insurance Department Fees.
S 971 Self-Employed Health Insurance Deduction.
S 979 School Property Financing.
S 1007 Transit Authority Vehicle Rental Tax.
S 1008 Insulating Specialty Contractors.
S 1010 Local Gov. Funding Agreements.

FINANCE COMMITTEE (continued)

S	1012	Publication of Appellate Decisions.
S	1017	Environmental/Agriculture Act.
S	1019	Employee GED Tax Incentive.
S	1025	Increase Civil Process Fees.
S	1029	Insolvent Insurer Revenue Bonds.
S	1037	NC Railroad Act.
S	1042	Esthetician Licensure.
S	1062	Property Tax on Leaseholds.
S	1095	Abolish State Sales Tax on Food.
S	1096	Abolish Inheritance Tax.
S	1102	Modify Davie Room Tax Use.
S	1108	Lower Unemployment Tax in 1999.
S	1122	Bingo Study Recommendations.
S	1130	Improve Torrens Law.
S	1169	Homestead Tax Reduction.
S	1197	Exempt Tobacco Assistance Payments.
S	1223	Simplify & Reduce Personal Income Taxes.
S	1225	Readjust Cities Receipts Tax Share.
S	1227	Update IRC Reference/Conform Gift Tax.
S	1234	Raise Criminal Court Fees.
S	1278	PSO Medicare Licensing.
S	1284	1998 Marine Fisheries Amendments.
S	1292	Rental Tax Information Sharing.
S	1293	Modify Mecklenburg Tax Penalty.
S	1316	Amend Conservation Easements Tax Credit.
S	1330	Water Quality Fees.
S	1349	Clean Burning Fuel Rate.
S	1368	Delay Sunset on Tax Credits.
S	1385	Reform Death Tax.
S	1390	Branded Title Clarification.
S	1393	Modify Historic Rehabilitation Credit.
S	1400	Repeal State and Local Food Tax.
S	1408	Tax Return Donations for Habitat.
S	1433	Exempt Voluntary Severance Pay.
S	1480	Two-thirds Vote to Levy Taxes.
S	1488	Refund Intangibles Tax to All.
S	1503	Credit for Hiring Work First Recipient.
S	1577	Simplify & Reduce Death Tax.
H	19	Expand Corporate Charitable Deduction.
H	54	No Additional Fee for Legion of Valor/ Pearl Harbor Survivor.
H	62	Henderson County Annexation Agreements.
H	136	Late Video Return/Sales Tax.
H	271	School District Sales Tax Refunds.
H	272	Public College Sales Tax Refunds.
H	313	Prohibit Intangibles Tax Assessment.
H	367	Northeast Counties Inspection Liens.
H	506	Hertford/Northampton School Acquisition.
H	554	Licenses for Disabled Veterans.
H	1027	State Treasurer Venture Capital.
H	1187	County/City Sales Tax Exemption.
H	1272	No Fee for Purple Heart Plates.

FINANCE COMMITTEE (continued)

H 1285 Revaluation and Annex Tax Notice.
H 1312 Mount Gilead Utility Bills.
H 1347 Prohibit Internet Taxation.
H 1491 Amend Conservation Tax Credit.
H 1544 Raise Court Fees.
H 1579 Montgomery Delinquent Utility Bill.
H 1594 Franchise Distribution Repayment.
H 1660 City of Durham/Stormwater Fees.

HELD AS FILED PURSUANT TO RULE 43

S 67 Congress/Repeal Driver's Privacy Protection Act of 1994.
S 232 Clean Water Bonds.
S 771 No Low-Level Facility in Floodplain.
S 940 Federal-Match Required-9/30/98.
S 1009 Shelby Occupancy Tax.
S 1139 Miscellaneous Corrections/G.S. 115c-325.
S 1176 Salaries and Benefits/No Diem.
S 1188 Best Value Info. Tech. Procurements.
S 1221 Sporting Event Raffles.
S 1256 No Insurance Points/15 MPH Over Limit.
S 1282 Cancer Advisory Commission Members.
S 1496 Horse Promotion Assessment.
S 1593 Massage and Bodywork Therapy.
H 1273 Refund Intangibles Tax to All.

JUDICIARY COMMITTEE

S 8 Amend Structured Sentencing Prior Record Calculation.
S 13 Change Primary Date.
S 21 Authorization for Political Ads.
S 46 Felony to Shoot a Horse.
S 55 Change Primary Date.
S 57 Guilty but Mentally Ill.
S 63 Annexation Changes.
S 68 Indemnify State Employees/Privacy Act.
S 73 Proposed Changes/Chapter 106.
S 87 Investment Securities UCC Rewrite.
S 89 1997 Technical Corrections.
S 90 Repeal UCC Article on Bulk Transfers.
S 92 Juvenile Court Changes.
S 103 Concealed Handgun/Law Officer.
S 115 Community Penalties/Record Checks.
S 116 Jurisdictional Amount Increase.
S 117 Modify Two DMV Definitions.
S 128 No Ins. Points/15 MPH Over Limit.
S 135 Clarify Sex Offender Registration.
S 146 Clerks of Court on Commissions.
S 148 Motor Vehicle Occupant Restraints.
S 155 Adm. Rules/Scope of Review.
S 156 Amend Medical Providers' Liens.
S 159 Courts Supplement Clark's Calendar.
S 160 Increase Minimum Upset Amount.

JUDICIARY COMMITTEE (continued)

S	161	Judicial Timber Sale/Sealed Bid.
S	170	Equine Activity Liability.
S	214	Bomb Threat/Felony.
S	279	Uniform Fraudulent Transfer Act.
S	281	Left Turn on Red.
S	296	Campaign Pledge.
S	309	Child Fatality Task Force Confidential Records.
S	313	Public Assistance Fraud/AB.
S	324	Concealed Handguns/Liability.
S	331	Agricultural Employer Appeals.
S	348	Waive Jury Trial/Construction Amendments/AB.
S	349	Habitual Impaired Driving.
S	353	Add NCCJETSC Member.
S	359	Insanity Defense/Cond. Release.
S	364	1997 Child Protection Act.
S	368	Governor's D.W.I. Initiative/AB.
S	373	Contracts Against Public Policy Exempt.
S	377	Upper Catawba/Personal Watercraft.
S	386	Clarify Attorney-In-Fact Gifts.
S	394	Modify Victim Compensation Act/AB.
S	403	Restoration of Rights.
S	440	N.C. National Guard Authority/AB.
S	444	Simplify Criminal Discovery.
S	451	Compensate Erroneously Convicted.
S	458	Amend Marijuana Trafficking Amts.
S	462	Amend Residency for Tuition Purposes.
S	498	Workers' Comp/Physician Selection.
S	517	Calendaring Criminal Cases.
S	530	Roller Skating Rink Liability.
S	540	Standardize Law Enforcement Discipline.
S	542	Taunt Police Animal.
S	551	Amend Offer of Judgment Rule.
S	572	Modified At-Large Election Methods.
S	610	Insurer Discrimination/Abused Persons.
S	628	Domestic Violence Order/Misdemeanor.
S	658	Workers' Compensation Fraud.
S	674	Sex Offender Registry/Public Info.
S	675	Statewide Sex Offender Registry.
S	691	Outlaw Dog Fights.
S	695	Immunity for Public School Volunteers.
S	716	Unemployment Insurance Benefits Severance Pay.
S	759	Guilty but Mentally Ill-2.
S	762	Insanity Defense/Burden of Proof.
S	782	Cloning of a Human Being Prohibited.
S	795	Limitation for Prod. Liability Actions.
S	810	1997 Personal Protection Reform Act.
S	827	Amend Civil Procedure Rules.
S	870	Amend Marijuana Trafficking Amts.
S	877	Speed to Elude Arrest.
S	893	Regulating Charitable Bingo.
S	902	Supreme Court Sessions.

JUDICIARY COMMITTEE (continued)

S	907	MSD Amendments.
S	909	Break & Enter/Steal Gun.
S	920	Enhanced Sent./Firearm/Felonies.
S	922	Amend Habitual Felon Law.
S	927	Positive Campaigns.
S	948	Multiple Commissions/Campus Police.
S	951	Absentee Technical Amendments.
S	952	Election Cycle Contribution Limit.
S	957	Environmental Audits.
S	961	Child Bicycle Safety Act.
S	970	Infraction/Local Ordinance.
S	982	Housing Authority Amendments.
S	991	Concealed Handgun Amendments.
S	999	Land Surveyors Entry on Land.
S	1014	Judicial Selection.
S	1021	Dispute Resolution Commission.
S	1026	Open Records/Identity of Juveniles.
S	1033	Reward Ability at Work and School.
S	1034	No Report/New Election.
S	1040	Non-collision Motor Vehicle Accidents.
S	1045	Expedite Jury Selection.
S	1046	Reduce Peremptory Challenges.
S	1048	CON Modifications.
S	1050	Sexual Privacy at Home.
S	1057	Hurricane Relief/Beach Homeowners.
S	1060	Public Records/Meetings Law Amendments.
S	1061	Honesty in Evidence.
S	1077	Amend Burglary.
S	1134	Traffic Stops at Night.
S	1172	State Officer/Employee Ethics.
S	1179	Future of the Courts.
S	1186	Future of Courts Pilots.
S	1231	Jurisdictional Amount Increase.
S	1237	Amend Contested Case Procedures.
S	1258	Judicial Appointment/Voter Retention.
S	1270	DOT Condemnation Procedures.
S	1288	Health Care Information Privacy.
S	1325	Court Improvement Project.
S	1353	Keg Regulation/19-20 Loophole Closed-2.
S	1493	Adult Care Homes/Disapp. Rule/Staffing.
S	1506	Victims' Compensation Act.
S	1513	Juvenile Law Revision.
S	1530	Discretionary Sent.Drugs.
S	1532	Adoption & Safe Families Act/Funds.
S	1575	Strengthen Election Enforcement.
S	1587	No Computer Access of Obscenities.
S	1596	Tort Claims Act Amendments.
H	212	Clarify Community-Based Corrections.
H	222	Habitual Felon Determination.
H	267	Bomb Threat/Felony.
H	333	Clarify Atty.-In-Fact Gifts.

JUDICIARY COMMITTEE (continued)

H	389	Felony Child Abuse/Increase Penalty.
H	427	Assault Corrections Officer/AB.
H	468	N.C. DA's M.V. Recommendations/AB
H	507	Mandatory Jail for Some D.W.I.
H	588	Unlawful to Remove Collars.
H	823	Removal/Resignation of Trustees.
H	872	Amend Civil Procedure Rules.
H	873	Age of Undisciplined Juveniles.
H	891	Workers' Compensation Medical Care.
H	929	Domestic Violence Changes.
H	936	Llama Activities/Duties and Liability.
H	995	Amend Trespass/Surveyors.
H	1086	Amend Offer of Judgment Rule-2.
H	1091	Criminal Record Check by Private Bus.
H	1124	Fire/Rescue Personnel Records Checks.
H	1252	Criminal Tax Penalty to Home County.
H	1354	Improve Torrens Law.
H	1380	ABC Enforcement in Certain Counties.
H	1456	Death by Administration of Lethal Drugs.
H	1583	Domestic Violence/Admin. of Grants.

STATE GOVERNMENT, LOCAL GOVERNMENT, AND PERSONNEL COMMITTEE

S	43	Forsyth Jails House Juveniles.
S	62	Annexation/Municipal Services.
S	91	Avery Precincts.
S	216	Mecklenburg School Election Changes.
S	227	Charlotte On-Street Parking.
S	300	High Point Zoning.
S	326	Charlotte On-Street Parking.
S	401	Pinehurst Council Terms.
S	406	Change SPA Exemption Process.
S	407	State Hires Most Qualified.
S	410	Buncombe Commissioners Elections.
S	411	Williamston Extraterritorial Jurisdiction.
S	436	Mecklenburg ABC Law Enforcement.
S	541	Raleigh Bicycle Disposition.
S	555	Laurinburg Construction.
S	586	Wake ABC Law Enforcement.
S	590	Harnett Road Hunting.
S	650	Sanford Charter.
S	664	Greenville Dwellings/Burlington Sale.
S	678	Knightdale Tree Ordinances.
S	679	Henderson Charter Update.
S	722	Ashe Use of Motor Fleet Vehicles.
S	731	Carteret School Board Election.
S	736	Annexation Referenda.
S	826	School Board and Local Changes.
S	840	Revise Records Laws-1.
S	941	Lt. Governor/Secretary of State.
S	1024	Sheriffs' Comm'n Amendments.

STATE GOVERNMENT, LOCAL GOVERNMENT, AND PERSONNEL COMMITTEE (continued)

S	1051	OSP Review Certain Job Classes.
S	1052	Book Purchasing Board.
S	1053	Computerized Voter Reg.
S	1068	Housing Authority Amendments.
S	1076	Campus Voter Registration.
S	1097	Abolish Ashe County Corner.
S	1142	Revaluation & Annex Tax Notice.
S	1198	Annex & Incorporation Revision.
S	1500	Alleghany/Sparta Bid Exemption.
S	1511	Durham Dumpster Service.
H	69	Roanoke Rapids Housing Code.
H	198	Supervision of Prisoners.
H	280	Tarboro Charter Amendment.
H	296	Mecklenburg School Election Changes.
H	315	State Hires Most Qualified.
H	316	Change SPA Exemption Process.
H	372	Charlotte Towing Vehicles.
H	373	Caldwell Annexation Restricted.
H	420	Kings Mountain/Moss Lake Amendments.
H	589	Washington Road Hunting.
H	596	Charlotte Civil Service Board.
H	612	Charlotte Speed Limit Authority.
H	633	Henderson/Local Unclaimed Bicycles.
H	656	Watershed Exemption/Annexation.
H	670	Lee/Harnett Unclaimed Bicycles.
H	673	Surry School Elections.
H	676	Rocky Mount Housing Code.
H	712	Charlotte Parking Ordinances.
H	747	Mecklenburg School Elections.
H	752	Stolen Licenses.
H	798	Wallace Mayor.
H	812	Wayne/Nahunta Real Property Conveyance.
H	855	Lee Commissioners Elections.
H	870	Local Working of Prisoners.
H	855	Busing from Day Care/Alamance Schools.
H	972	Haliwa Name Change.
H	1069	Encourage State Work First Hires.
H	1247	Abolish Ashe County Coroner.
H	1251	Transylvania County Land Use.
H	1567	Anson Legal Advertising.

PENSIONS AND RETIREMENT AND INSURANCE COMMITTEE

S	301	High Point Firemen's Pension.
S	345	Update Mortality Tables.
S	420	State Fire and Rescue Commission.
S	435	Physician-Patient Communications.
S	796	Areola Reconstruction Coverage.
S	881	Coverage for Emergency Services.
S	944	Barber Examiners Retirement.
S	964	Foreign Insurer Licensing.

PENSIONS AND RETIREMENT AND INSURANCE COMMITTEE (continued)

S	1036	Insurance Guaranty Assoc. Amendments.
S	1165	Firefighters' Benefits.
S	1461	Insurance Coverage/Infertility.
S	1551	Charter School Benefits.
H	1062	Child Support/ Health Coverage.

REFUSED BILLS PURSUANT TO RULE 43.

H	328	Stop Tobacco Sales to Minors.
H	579	Campaign Finance Changes.

RULED OUT OF ORDER PURSUANT TO RULE 40(b).

S	1067	No Business Relations with Burma.

RULES AND OPERATIONS OF THE SENATE COMMITTEE

S	28	Consumer Protection Issues/LRC Study.
S	40	Limit Legislative Per Diem.
S	104	Medical Information Waiver.
S	180	Senate District 18 Local Act-1.
S	181	Senate District 18 Local Act-2.
S	200	Amend North Carolina Laws-1.
S	201	Amend North Carolina Laws-2.
S	203	Senate District 14 Local Act.
S	204	Amend North Carolina Laws-3.
S	241	Wayne Local Act.
S	242	Hampstead Incorporated.
S	243	Castle Hayne Incorporation.
S	283	Extend Heart Disease Prevention Task Force.
S	351	Social Services Commission Authority/AB.
S	395	Senate District 24 Local Act.
S	431	Unpaved Roads Study.
S	450	Summerville Incorporated.
S	459	Guilford Local Act-3.
S	460	Guilford Local Act-1.
S	461	Guilford Local Act-2.
S	470	Cabarrus Local Act-1.
S	471	Cabarrus Local Act-2.
S	495	Scotland County Local Act-2.
S	502	Hoke County Local Act-2.
S	503	Scotland County Local Act-1.
S	504	Richmond County Local Act-1.
S	505	Hoke County Local Act-1.
S	506	Richmond County Local Act-2.
S	507	Montgomery County Local Act-2.
S	509	Stanly County Local Act-2.
S	510	Montgomery County Local Act-1.
S	511	Union County Local Act-1.
S	512	Anson County Local Act-1.
S	514	Anson County Local Act-2.
S	525	Surry School Elections.
S	580	Kings Mountain Local Act-3.
S	581	Kings Mountain Local Act.

RULES AND OPERATIONS OF THE SENATE COMMITTEE (continued)

S	582	Kings Mountain Local Act-2.
S	584	Senate District 39.
S	588	Rowan Local Act.
S	589	Rowan Local Act.
S	591	Senate District 38 Act.
S	593	Funds for Public Purposes.
S	599	Cleveland County Local Act.
S	600	Rutherford County Local Act.
S	601	City of Wilmington.
S	602	Senate District 7 Local Act-1.
S	603	Senate District 7 Local Act-2.
S	604	Senate District 7 Local Act-3.
S	605	Senate District 7 Local Act-4.
S	606	Senate District 7 Local Act-5.
S	617	Alamance Local Act.
S	618	Caswell Local Act.
S	619	Person Local Act.
S	631	Chapel Hill Omnibus Act.
S	632	Orange Omnibus Act.
S	647	Duplin County Local Act.
S	665	Gubernatorial Team Ticket.
S	669	Future of Economic Development Commission.
S	697	Amend State Law.
S	715	Amend State Law.
S	717	Duplin County Local Act-1.
S	718	Duplin County Local Act.
S	721	Calabash/Carolina Shores.
S	726	Establish Swift Creek Joint Zoning.
S	732	Sneads Ferry Incorporated.
S	733	Lincoln Local Act.
S	734	Lincoln Local Act.
S	753	Domestic Violence Study.
S	828	Child Protection LRC Study.
S	830	Adopt State Fruit.
S	831	Pro Tem Appointments.
S	865	N.C. Progress Report.
S	880	Blank Bill-2.
S	887	Working Poor LRC Study.
S	901	Branch Banking/LRC Study.
S	906	CON Exemption/Open Heart Surgery.
S	912	State Environmental Concerns/Funds.
S	950	Juvenile Hearing Officers.
S	955	Baseball Park District Appointments.
S	967	Allow Construction By Owner.
S	972	Managed Care Policy Board.
S	1003	Health Care Oversight Commission.
S	1004	Sustainable Growth Act.
S	1013	Encourage Renewable Energy.
S	1056	Hospital/Medical Service Corp.
S	1063	Law Officers/Weapons.
S	1075	Minority and At-Risk Student/Study.

RULES AND OPERATIONS OF THE SENATE COMMITTEE (continued)

S	1079	Honoring/Life and Memory Gordon Hicks Greenwood.
S	1083	Honoring Life and Memory/Mazie Spencer Woodruff.
S	1085	Honoring Life and Memory/Barney Paul Woodard.
S	1086	Inviting Dr John H. Franklin Address Senate/Gov. James B. Hunt, Jr.
S	1094	Enabling General Assembly Delay Accural Interest.
S	1099	Senatorial District 18 - 1.
S	1100	Senatorial District 18 - 2.
S	1101	Senatorial District 18 - 3.
S	1105	Honoring Life /Memory of Archibald Kimbrough Davis.
S	1115	Alexander Local Act.
S	1116	Avery Local Act.
S	1117	Burke Local Act.
S	1118	Caldwell Local Act.
S	1119	Mitchell local Act.
S	1120	Wilkes Local Act.
S	1121	Yadkin Local Act.
S	1140	School Construction Bidding.
S	1144	Biometrics Exemption.
S	1153	Comm. College Purchasing Flexibilty.
S	1154	Comm.Colleges' Lease Purchase Authority.
S	1158	Senate District 17 Local Act.
S	1159	Seventeenth Senatorial District.
S	1161	Senate District 20 - Forsyth County.
S	1162	Senate District 20 - Forsyth County.
S	1163	Senate District 20 - Forsyth County.
S	1168	Cumberland Local Act.
S	1175	Blank Appropriations Bill-3.
S	1177	Blank Appropriations Bill-2.
S	1178	Third Senatorial District Local Act.
S	1184	City of Fayetteville.
S	1190	Seventeenth Senate District Local Act.
S	1191	Seventeenth Senate District Local Act.
S	1192	Seventeenth Senate District Local Act.
S	1207	Blank Appropriations Bill-1.
S	1208	Blank Appropriations Bill-2.
S	1209	Blank Appropriations Bill-3.
S	1236	Wake Local Act.
S	1257	Increase Membership of Cancer Coord. and Control.
S	1328	Job Training Study Commission.
S	1332	Senatorial District 22 - 2.
S	1342	Amend State Law.
S	1343	Guilford Local Act.
S	1344	Alleghany Local Act.
S	1345	Ashe Local Act.
S	1346	Surry Local Act.
S	1347	Watauga Local Act.
S	1361	District 17 Local Act-4.
S	1362	District 17 Local Act-1.
S	1363	District 17 Local Act-2.
S	1364	District 17 Local Act-3.
S	1365	District 17 Local Act-5.

RULES AND OPERATIONS OF THE SENATE COMMITTEE (continued)

S	1369	Senatorial District 4 Local Act - 1.
S	1370	Senatorial District 4 Local Act - 2.
S	1371	Senatorial District 4 Local Act - 3.
S	1372	Senatorial District 4 Local Act - 4.
S	1374	Senate District 6 Local Act - 2.
S	1375	Senate District 6 Local Act - 1.
S	1383	Appropriations.
S	1384	Appropriations.
S	1388	Sampson Local Act.
S	1391	Exempt Certain Nonprofit Coverage.
S	1401	Senate District 21 Local Act.
S	1402	Senate District 21 Local Act - 2.
S	1403	Senate District 21 Local Act - 3.
S	1425	Rockingham County Local Bill.
S	1432	Amend Tax Law.
S	1456	LEA's Operate as Charter/Study.
S	1460	911 Flexibility.
S	1473	Cleveland Local Act-2.
S	1474	Cleveland Local Act-1.
S	1475	Senatorial District 10 Local Act.
S	1489	Amend State Law.
S	1516	Maple Hill Incorporated.
S	1538	Honor Life/Memory William Clinton "Buck" Harris, Jr.
S	1571	Study Ticket Brokering.
S	1588	Enabling/No Computer Access of Obscenities.
S	1595	Lobbyist Gifts Restricted.
S	1604	Enabling/Salaries and Retirement Benefits.
H	286	Dortches/Rocky Mount Boundaries.
H	376	A Joint Resolution Honoring The Life And Memory of the Early Supporters of the Durham Public Library.
H	415	Grandparent's Child Support.
H	538	Truthful Employment References.
H	565	Wake Omnibus Act.
H	898	UNC Public Records/Open Meeting.
H	908	Modify Rights of Decedent's Spouse.
H	1026	Extra Days Of Employment For Teachers.
H	1232	A Joint Resolution Honoring Life and Memory of Adolph Lorenz Dial.

SELECT COMMITTEE ON CONGRESSIONAL REDISTRICTING

S	433	Congressional Redistricting.
S	1185	Congressional Redistricting.

SELECT COMMITTEE ON COURTS

S	834	Court Improvement Act.
S	835	Court Improvement Act/Constitution.
S	1006	Expedite Parental Rights Termination.

SELECT COMMITTEE ON SESSION LIMITS

S	267	Legislative Session Length.

TRANSPORTATION COMMITTEE

S	65	No Fee for Mail-In Registration.
S	66	Motor Vehicles Salvage Changes.
S	173	DMV Head Is a DOT Deputy.
S	1000	Hearings on TIP Changes.
S	1070	Transfer I/M Program to DEHNR.
S	1173	Department of Transportation Structure.
S	1187	Motor Vehicle Technical Changes.
S	1206	Apple Truck Weight Limit Increase.
S	1290	Transit Right of Way Protection.
S	1495	DOT Required to Compost.
S	1567	Board of Transportation Improvements.
S	1592	Reopen S.R. 1109 in Bertie.
H	1143	Handicapped Plate Recertification.

WAYS & MEANS COMMITTEE

S	304	Disapproval of Certain Rules.

APPENDIX

SENATE JOURNAL

1997 SESSION

SECOND SESSION

1998

NORTH CAROLINA GENERAL ASSEMBLY
SENATORIAL DISTRICTS

(G.S. 120–1)

DISTRICTS (Seats)		COUNTIES Townships, Precincts, Census Tracts, Block Groups
1st	(1)	**BEAUFORT** (Townships: Long Acre, Pantego, Washington: **Tract 9905:** Block Group 5 [522A, 528A]); **BERTIE** (Whites, Windsor 2); **CAMDEN; CHOWAN; CURRITUCK; DARE; HYDE; PASQUOTANK; PERQUIMANS; TYRRELL; WASHINGTON** (Plymouth 3, Scuppernong, Skinnersville).
2nd	(1)	**BERTIE** (Colerain 1, 2, Indian Woods, Merry Hill, Mitchells 1, 2, Roxobel, Snakebite, Windsor 1, Woodville); **GATES; HALIFAX** (Butterwood, Conoconnara, Enfield 1, 2, 3, Halifax, Hobgood, Hollister, Littleton 1, 2, Palmyra, Roseneath, Scotland Neck 1, 2, Weldon 1, 2, 3); **HERTFORD; NORTHAMPTON; VANCE** (Dabney, Middleburg, Townsville, Williamsboro); **WARREN**.
3rd	(1)	**CARTERET** (Townships: Atlantic, Beaufort, Cedar Island, Davis, Harkers Island, Harlowe, Marshallberg, Merrimon, Morehead: **Tract 9703:** Block Group 4 [437], **Tracts 9704, 9705, 9706:** Block Group 1, Block Group 2, Block Group 3 [301A, 302–359], Block Group 4, **Tract 9707,** Block Group 6 [601, 602, 621A, 621B, 624A, 625A, 626A, 627A, 628A, 629A, 630–648, 649A, 650–663], **Tract 9708:** Block Group 4: [401A, 459A, 460–463], Newport, Portsmouth, Sea Level, Smyrna, Stacy, Straits, White Oak: **Tract 9708:** Block Group 1 [101B, 102, 103C, 105–126, 130B, 139B], Block Group 2 [201, 203, 204], Block Group 4 [401C, 403–409, 410A, 410B, 410C, 411A, 411B, 411C, 412–414, 415A, 415B, 416, 417A, 417B, 418, 419A, 419B, 420A, 420B, 420C, 421–423, 424A, 424B, 425–444, 445A, 445B, 446–447, 448A, 448B, 449, 450A, 450B, 451–454, 455A, 455B, 456–457, 458B]); **CRAVEN; PAMLICO**.
4th	(1)	**CARTERET** (Townships: Morehead: **Tract 9709**: Block Group 1 [108–124, 125A, 125B, 126–140], Block Group 2 [201A, 201C, 201D, 202–212], **Tracts 9710, 9711, 9711.99, 9712**, White Oak: **Tract 9708**: Block Group 2 [202, 205–256], Block Groups 3, 5, 6, 7, **Tract: 9709**: Block Group 1 [101–107, 141–154], Block Group 2 [201B], Block Groups 3, 4, 5, 6 [601–665]); **NEW HANOVER** (Cape Fear 2, 3, Federal Point 1, 2, 3, Harnett 2, 3, 4, 5, 6, 7, Masonboro 2, 3, 4, 5, Wilmington 8, 11, 12, 13, 14, 16, 17, 18, Wrightsville Beach); **ONSLOW** (Bear Creek, Catherine Lake, Cross Roads, Folkstone: **Tract 4**: Block Group 3 [301A, 301B, 302A, 302B, 303A, 303B, 304, 305A, 305B, 306A, 306B, 307,308, 309A, 309B, 310, 311A, 311B, 312–318, 320–330, 340–347, 352–354, 362, 363], Holly Ridge: **Tract 4**: Block Group 4 [401A, 401B], Hubert, Mortons, Sneads Ferry: **Tract 4**: Block Group 3 [319], Swansboro, Tar Landing, Verona: **Tract 3**: Block Group 2 [216], Block Group 3: [301A, 301B, 302, 303A, 303B, 304A, 304B, 305, 306, 307A, 307B, 308, 309A, 309B, 310A, 310B, 313A, 313C, 314–325], Block Group 4 [425–431, 433–435]; Camp Lejeune Military Base 13); **PENDER** (Scott's Hill, Surf City, Lower Topsail, Upper Topsail).

DISTRICTS (Seats)	COUNTIES Townships, Precincts, Census Tracts, Block Groups
5th (1)	**DUPLIN; JONES** (Chinquapin, Cypress Creek, Tuckahoe); **ONSLOW** (Brynn Marr, Harris Creek, Haw Branch, Haws Run: **Tract 4**: Block Group 4 [408], Gum Branch, Half Moon: **Tract 12**: Block Group 1 [101B, 102B, 108B, 109B, 110–18, 128–132, 136, 137], Jacksonville, East Northwoods, West Northwoods, Richlands); **PENDER** (North Burgaw, Middle Holly: **Tract 9802**: Block Group 1 [112A, 113A, 124, 129A, 130A, 131A, 132–138, 163, 164, 191–195], Upper Holly: **Tract 9803**: Block Group 1 [101A], Long Creek, Penderlea, Rocky Point, Lower Union); **SAMPSON** (Autreyville, Clement, Central Clinton, East Clinton, Northeast Clinton, Southwest Clinton, West Clinton, Garland, Harrells, Herring, Ingold, Keener, Mingo, Plainview, Rowan, Salemburg, Turkey).
6th (1)	**EDGECOMBE** (Precincts: 1–1, 1–2, 1–3, 1–4, 2–1, 3–1, 4–1, 5–1, 6–1, 7–1, 8–1, 10–1, 11–1, 12–1, 12–2, 12–4, 12–5); **MARTIN** (Goose Nest, Hamilton, Hassell, Jamesville, Poplar Point, Robersonville 1, 2, Williams, Williamston 1, 2. **Tract: 9704**: Block Group 2 [202], **Tract 9705**: Block Group 4 [413], **Tract 9706**: Block Group 1 [168A]); **PITT** (Arthur, Belvoir, Bethel, Falkland, Farmville East, Farmville West, Fountain; Precincts: Greenville 1, 2, 2 (noncontiguous), 3, 4); **WASHINGTON** (Lees Mill, Plymouth 1, 2); **WILSON** (Gardners; Precincts: Wilson B, E, F, G, H, N, Q).
7th (1)	**JONES** (Beaver Creek, Pollocksville, Trenton, White Oak); **LENOIR** (Kinston 1, 2, 6, 7, 8, Southwest); **NEW HANOVER** (Cape Fear 1, Wilmington 1, 2, 3, 6, 7, 9, 10, 15); **ONSLOW** (Holly Ridge: **Tract 4**: Block Group 3 [331–339, 348–351, 355–361, 364], Block Group 4 [402–407, 409–426, 427A, 427B, 428–429, 430A, 430B, 431A, 431B, 432–434, 435A, 435B, 435C, 436A, 436B, 437A, 437B, 438–490, 491A, 491B, 492, 493A, 493B, 494–497], Mills: **Tract 1**: Block Group 1 [101–103, 104B, 105–112, 114, 115, 119, 120, 125B, 129B, 133, 134B, 135B, 136, 137B], New River, Northeast, Verona: **Tract 3**: Block Group 4 [432]. **VTD ZZZZ: Tract 1**: Block Group 1 [104A, 125A, 126–128, 129A, 130–132, 134A, 135A, 137A, 138, 139A, 140–143, 144A, 144B, 144C, 145–168, 169A, 170, 171A, 172–176, 177A, 177B, 178, 179, 185, 186, 196A, 196B, 197A, 197B], **Tract 2**: Block Group 6 [627A, 628, 629A, 629B, 630A, 631–633, 634A, 635A, 648A, 649A], **Tract 12**: Block Group 1 [101A, 102A, 103–106, 107A, 108A, 109A], **Tract 13**: Block Group 1 [107]; Camp Lejeune Military Bases 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14); **PENDER** (South Burgaw, Canetuck, Caswell, Columbia, Grady, Upper Holly: **Tract 9802**: Block Group 1 [101–105, 106A,107A, 114–123, 125–128, 139–162, 165–180, 181A, 182–190, 196, 197], Block Group 2 [201A, 201B, 220], Upper Union).
8th (1)	**GREENE; LENOIR** (Neuse, Pink Hill 1, 2, Trent 1, 2, Woodlington); **WAYNE**.

DISTRICTS (Seats)	COUNTIES Townships, Precincts, Census Tracts, Block Groups
9th (1)	**BEAUFORT** (Townships: Bath, Chocowinity, Richland, Washington: **Tract 9902**: Block Group 1 [129B, 130B, 131–156, 157B, 158B, 159B, 160B, 175B, 176B, 185B, 186B, 187B, 189–191, 197], Block Group 2, **Tracts: 9903, 9904**); **LENOIR** (Contennea, Falling Creek, Institute, Kinston 3,4,5,9, Moseley Hall, Sandhill, Vance); **MARTIN** (Beargrass, Cross Roads, Griffins); **PITT** (Ayden East, Ayden West, Carolina, Chicod, Greenville 5,6,7,8,9,10,11,12,13, Grifton, Grimesland, Pactolus, Simpson, Swift Creek, Winterville East, Winterville West).
10th (1)	**EDGECOMBE** (Precincts: 9–1, 12–3, 13–1, 14–1); **HALIFAX** (Faucett, Ringwood, Roanoke Rapids 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11); **NASH; WILSON** (Black Creek, Saratoga, Stantonsburg, Toisnot, Wilson A, C, D, I, M).
11th (1)	**FRANKLIN; JOHNSTON** (North Beulah, East Clayton, West Clayton, Cleveland, North O'Neals, South O'Neals, East Selma, West Selma, East Smithfield, North Smithfield, West Smithfield, Wilders, Wilson's Mills); **VANCE** (East Henderson, I, II, North Henderson I, II, South Henderson I, II, West Henderson I, IIA, IIB, Hilltop, Kittrell, Sandy Creek, Watkins); **WILSON** (Cross Roads, Old Fields, Spring Hill, Taylors, Wilson J,K,L,P).
12th (2)	**ALLEGHANY; ASHE; GUILFORD** (North Madison, South Madison, Stokesdale, North Washington, South Washington); **ROCKINGHAM; STOKES; SURRY; WATAUGA.**
13th (2)	**DURHAM; GRANVILLE; PERSON** (Allensville, Cunningham–Chub Lake, Holloway, Mt. Tirzah, Roxboro City #1, 1A, 2, 3, 4, Woodsdale); **WAKE** (Buckhorn, Cedar Fork, House Creek #1, Leesville #1, 3, New Light #2, White Oak #2).
14th (2)	**JOHNSTON** (North Elevation, South Elevation, Pleasant Grove); **WAKE** (Holly Springs, Little River 1, 2, Marks Creek 1, 2, Middle Creek 1, 2, Panther Branch, Raleigh 01–01 through 01–07, 01–09 through 01–23, 01–26, 01–27, 01–27 (part), 01–28 through 01–46, St. Mary's 1, 2, 3, 4, 6, 7, St. Matthews 1, 2, 3, 4, Wake Forest 1, 2).
15th (1)	**HARNETT; JOHNSTON** (North Banner, South Banner, West Banner, Bentonville, South Beulah, North Boon Hill, South Boon Hill, East Ingrams, West Ingrams, North Meadow, South Meadow, Micro, Pine Level); **LEE** (Cape Fear, Cumnock, Deep River, Jonesboro, East Sanford, West Sanford 1, 2, 3); **SAMPSON** (Kitty Fork, Newton Grove, Giddensville, Westbrook).
16th (2)	**CHATHAM; LEE** (Greenwood, East Pocket, West Pocket); **MOORE; ORANGE; RANDOLPH**(Armory, North Asheboro, East Cedar Grove, West Cedar Grove, Coleridge, Deep River, Eastside, Falls, Franklinville, Grant, Liberty, Lindley Park, Loflin, McCrary, New Hope, Providence, East Ramseur, West Ramseur, East Randleman, West Randleman, Richland, South Pointe, Staley, Union, Westside, Worthville).
17th (2)	**ANSON; HOKE** (Buchan, Fort Bragg, Puppy Creek, McCain, Rockfish); **MONTGOMERY; RICHMOND; SCOTLAND; STANLY** (For Township: Almond—see District 22); **UNION.**

DISTRICTS (Seats)	COUNTIES Townships, Precincts, Census Tracts, Block Groups
18th (1)	**BLADEN** (For Townships: Hollow, White Oak—see District 30); **BRUNSWICK; COLUMBUS; NEW HANOVER** (Wilmington 4, 5).
19th (1)	**DAVIDSON** (Abbotts Creek, Thomasville 8); **GUILFORD** (Bruce, Clay, North Center Grove, South Center Grove, Deep River, Fentress 1, 2, Friendship–1, Greene, Jamestown–3, Oak Ridge, Greensboro 20, 27A, 27B, 27C, 34A, 37A, 37B, 39, 41A, High Point 8, 16, 20, 23, 24); **RANDOLPH** (East Archdale, West Archdale, Back Creek, Concord, Level Cross, North New Market, South New Market, Prospect, Tabernacle, East Trinity, West Trinity).
20th (2)	**FORSYTH** (For Clemmonsville 2, 3—see District 38).
21st (1)	**ALAMANCE; CASWELL; PERSON** (Bushy Fork, Flat River, Hurdle Mills, Olive Hill).
22nd (1)	**CABARRUS; ROWAN** (Blackwelder Park, Bostian School, Bradshaw, S. China Grove, Enochville, East Kannapolis, West Kannapolis, East Landis, West Landis, Locke, Steele); **STANLY** (Township: Almond).
23rd (1)	**DAVIDSON** (Boone, Central, Cotton, Southmont, Lexington 1, 2, 4, Ward 1, 2, 3, 4, 5, 6, Tyro, Silver Hill); **IREDELL** (Barringer, Coddle Creek 1, 2, 3, Cool Springs, Eagle Mills, New Hope, Olin, Statesville 3, 4, 5, 6, Turnersburg, Union Grove); **ROWAN** (Cleveland, Faith (noncontiguous), Franklin, Hatters Shop, Milford Hills, Mt. Ulla, West Innes, Scotch Irish, Spencer, East Spencer, Trading Ford, Trading Ford (noncontiguous A), Unity, East Ward I, II, North Ward I, II, South Ward, West Ward I, II, III).
24th (1)	**CUMBERLAND** (Alderman, Black River, Brentwood, Cedar Creek, Cross Creek 4, 7, 8, 9, 10, 11, 12, 14, 15, 18, 20, 21, 22, 23, Cumberland 1, 2, Hope Mills 1, Judson, Linden, Long Hill, Manchester, Montclair, Pearces Mill 2, 3, 4, Seventy First 2, 3, Sherwood, Stedman, Vander, Wade).
25th (1)	**CLEVELAND** (Falston, Lawndale, Polkville, Shelby 4); **GASTON** (Armstrong, Ashbrook, Bessemer City 1, 2, Cherryville 1, 2, 3, Crowders Mtn., Dallas 1, 2, Firestone, Flint Groves, Gardner Park, Grier, Health Center, Highland, Landers Chapel, Memorial Hall, Lowell, McAdenville, Myrtle, Ranlo, Robinson, Sherwood, Tryon, Woodhill, Victory); **LINCOLN** (Crouse, Heavners, Lincolnton/North, Lincolnton/South, Lithia, Love Memorial, Long Shoals, North Brook I/II).
26th (1)	**CATAWBA; LINCOLN** (Asbury, Boger City, Buffalo Shoals, Daniels/ Vale, Hickory Grove, North Brook III, Pumpkin Center).
27th (2)	**ALEXANDER; AVERY; BURKE** (Drexel 1, 2, 3, Icard 1, 2, 3, 4, 5, Jonas Ridge, Linville1, Lovelady 1, 2, 3, 4, Lower Creek, Lower Fork, Morganton 7, Smoky Creek, Upper Creek, Upper Fork); **CALDWELL; MITCHELL; WILKES; YADKIN.**
28th (2)	**BUNCOMBE** (For Broad River, Fairview, Limestone 2—see District 42); **BURKE** (Linville 2, Morganton 1, 3, 4, 5, 6, 8, 9, 10, Quaker Meadow 1, 2, Silver Creek 1, 2, 3, 4); **MADISON; McDOWELL; YANCEY.**

DISTRICTS (Seats)	COUNTIES Townships, Precincts, Census Tracts, Block Groups
29th (1)	**HAYWOOD** (For Townships: Cecil, Pigeon—see District 42); **HENDERSON** (Armory, Brickton, Brickton (noncontiguous), North Blue Ridge, Clear Creek, Hendersonville 1, 2, 3, Long John Mountain, Moores Grove, Northeast, Northwest (noncontiguous), North Mills River, South Mills River, Pisgah View); **JACKSON** (For Township: Cashiers—see District 42); **MACON** (Townships: Cowee, Franklin: **Tract 9702**: Block Group 1 [101B, 110C, 120–129, 130B, 131–140], Block Group 2 [216C], **Tract 9703**: Block Groups 1, 2, 3 [302A, 302B, 304, 307, 308, 309A, 309B, 310A, 310B, 310C, 311–314, 315A, 315B, 316, 317A, 317B, 318–321], Block Groups 4, 5, 6 [601–605, 606A, 607A, 607B, 608, 609A, 610, 611, 612A, 622, 623, 634–637], Block Groups 7, 8 [801B, 802, 804–828], **Tract 9704**: Block Group 1 [160A, 161A, 162A, 164–166], Block Group 2 [218A, 218B, 220, 221A, 221B], **Tract 9706**: Block Group 1 [101–125, 126A], Block Group 2 [201–210, 211B, 211C, 212–226, 227A, 228–238, 239A, 241, 242, 243A, 244A, 245A, 246–251, 252A, 253, 254A, 257–259], Block Group 3 [301C, 306B, 307B, 311A, 312, 313A, 314, 315, 321B], Block Group 4 [408B, 413], **Tract 9707**: Block Group 1 [111B, 112B, 113–118, 119B, 120B, 121B, 123, 136B, 139–141], Block Group 2 [205–207, 210–222], Block Group 3 [301–312, 313A, 314–318, 319A, 320, 321A], Block Group 4 [401B, 401C, 404B, 411A]); **SWAIN; TRANSYLVANIA** (Townships: Boyd, Brevard).
30th (1)	**BLADEN** (Townships: Hollow, White Oak); **CUMBERLAND** (Beaver Dam, Hope Mills 2); **HOKE** (Allendale, Antioch, Blue Springs, Raeford 1, 2, 3, 4, 5, Stonewall); **ROBESON; SAMPSON** (Roseboro, Lakewood).
31st (1)	**GUILFORD** (Gibsonville, Jamestown 1, 2, North Jefferson, South Jefferson, North Monroe, South Monroe, North Sumner, South Sumner, Whitsett, (GIB–G), Greensboro 3, 4, 5, 6, 7, 8, 9, 19, 25, 29, 30, 42, 44, 45, High Point 3, 5, 6, 7, 11, 12, 13, 18, 21, 22).
32nd (1)	**GUILFORD** (Friendship–2, Greensboro 1, 2, 10, 11, 12, 13, 14, 15, 16, 17, 18, 21, 22, 23, 24A, 24B, 24C, 26A, 26B, 28, 31, 32, 33, 34B, 35A, 35B, 35C, 36, 38, 40A, 40B, 41B, 43, High Point 1, 2, 4, 9, 10, 14, 15, 17, 19).
33rd (1)	**MECKLENBURG** (Long Creek 2, Charlotte Precincts: 11, 12, 13, 14, 16, 16 (part), 22, 25, 27, 31, 39, 41, 42, 50, 52, 54, 55, 56, 57, 58, 59, 73, 75, 76, 77, 87, 92, 93, 97, 98).
34th (1)	**LINCOLN** (Lowesville, Triangle); **MECKLENBURG** (Berryhill, Cornelius, Crab Orchard 2, Davidson, Huntersville, Lemly, Long Creek 1–North, Long Creek 1–South, Mallard Creek 1, 1 (part), 2, XMallard Creek–2 (noncontiguous), Oakdell, Paw Creek 1, 2, Steel Creek 1, 2, Charlotte Precincts: 4, 23, 24, 26, 40, 53, 60, 78, 79, 80, 81, 82, 89, 105).
35th (1)	**MECKLENBURG** (Clear Creek, Matthews 1, 2, 3, 4, Mint Hill 1, 2, 3, Pineville, Providence 1, 2, 3, Charlotte Precincts: 8, 19, 32, 36, 47, 48, 65, 66, 67, 68, 69, 70, 71, 72, 74, 83, 85, 86, 88, 90, 91, 93 (part), 94, 96, 100,102).

DISTRICTS (Seats)	COUNTIES Townships, Precincts, Census Tracts, Block Groups
36th (1)	**WAKE** (Bartons Creek 1, 2, Cary 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, House Creek 2, 3, 4, 5, 6, Leesville 2, Meredith, Neuse 1, 2, New Light 1, St. Marys 5, Swift Creek 1, 2, 3, 4, White Oak 1).
37th (1)	**CLEVELAND** (Bethware, Boiling Springs, Casar, Grover, Holly Springs, East Kings Mountain, West Kings Mountain, Lattimore, Mooresboro–Youngs, Mulls, Pearl, Shanghai, Shelby 1, 2, 3, 5, 6, 7, Waco); **RUTHERFORD.**
38th (1)	**DAVIDSON** (Alleghany, Arcadia, Denton, Emmons, Hampton, Healing Springs, Holly Grove, Jackson Hill, Lexington 3, Liberty, Midway, Reeds, Reedy Creek, Silver Valley, Thomasville 1, 2, 3, 4, 5, 7, 9, 10, Welcome, Yadkin College); **DAVIE; FORSYTH** (Clemmonsville 2, 3); **ROWAN** (Barnhardt Mill, Bostian Crossroads, N. China Grove, Faith, Gold Knob, Granite Quarry, Morgan I, II, Rockwell, Sumner).
39th (1)	**GASTON** (Alexis, Belmont 1, 2, 3, Catawba Heights, Cramerton, High Shoals, Forest Heights, Gaston Day, South Gastonia, Lucia, Mt. Holly 1, 2, New Hope, Southpoint, Stanley 1, 2, Union); **IREDELL** (Bethany, Chambersburg, Coddle Creek 4, Concord, Davidson, Fallstown, Sharpesburg, Shiloh, Statesville 1, 2); **LINCOLN** (Denver, Iron Station, Salem, Westport).
40th (1)	**MECKLENBURG** (Crab Orchard 1, Charlotte Precincts: 1, 2, 3, 5, 6, 7, 9, 10, 15, 17, 18, 20, 21, 28, 29, 30, 33, 34, 35, 37, 38, 43, 44, 45, 46, 49, 51, 61, 62, 63, 64, 84, 95, 104.)
41st (1)	**CUMBERLAND** (Beaver Lake, Cottonade, Cross Creek 1, 2, 3, 5, 6, 13, 16, 17, 19, 24, Eastover, Morganton Road 1, 2, Spring Lake, Seventy First 1, Westarea).
42nd (1)	**BUNCOMBE** (Broad River, Fairview, Limestone 2); **CHEROKEE; CLAY; GRAHAM; HAYWOOD** (Townships: Cecil, Pigeon); **HENDERSON** (Bat Cave, South Blue Ridge, Bowmans Bluff, Crab Creek, Edneyville, Etowah, Flat Rock, Fletcher, Green River, Grimesdale, Hoopers Creek, Horse Shoe, Laurel Park, Northwest Park Ridge, Raven Rock, Rugby, Southeast, Southwest, Valley Hill); **JACKSON** (Township: Cashiers); **MACON** (Townships: Burningtown, Cartoogechaye, Ellijay: **Tract 9706**: Block Group 2 [211A], Flats, Franklin: **Tract 9703**: Block Group 6 [606B, 607C, 609B, 612B, 612C, 612D, 613–618, 619A, 619B, 620, 621, 624–631, 632A, 632B, 633A, 633B], Block Group 8 [829–831, 832B], **Tract 9707**: Block Group 1 [101–109, 110B], Block Group 2 [201A, 201B, 201C, 202A, 202B, 202C, 202D, 203, 204, 208, 209], Highlands, Millshoal, Nantahala, Smiths Bridge, Sugar Fork: **Tract 9706**: Block Group 3 [301E, 304B, 337B,339B, 340B, 343–369]); **POLK; TRANSYLVANIA** (Townships: Catheys Creek, Dunns Rock, Eastatoe, Gloucester, Hogback, Little River).

SENATE RESOLUTIONS

SECOND SESSION 1998

Adopted July 15, 1998 (See page 284)

S.R. 1602, A RESOLUTION PAYING TRIBUTE TO NORTH CAROLINA NATIVE, DOC WATSON, LEGENDARY PERFORMER AND FOLK ARTIST, AND HONORING THE LATE MERLE WATSON.

Whereas, Arthel Lane "Doc" Watson, the sixth of nine children, was born in Deep Gap, North Carolina, on March 2, 1923; and

Whereas, an early childhood illness left Doc Watson visually impaired; and

Whereas, Doc Watson developed a love for music at an early age; by age five he had learned to play the harmonica, and by age ten he had learned to play a homemade banjo; and

Whereas, at the age of 13, Doc Watson began playing the guitar and soon afterwards, he and his brother, Linney, began playing traditional music around Western North Carolina; and

Whereas, in 1941, Doc Watson joined a band that had a regular radio program in the Town of Lenoir and for the next six years played throughout North Carolina; and

Whereas, Doc Watson played and sang a large variety of folk and country music songs he learned from family members, neighbors, and from records and radio; and

Whereas, in 1947, Doc Watson married Rosa Lee Carlton, the daughter of fiddler Gaither W. Carlton; and

Whereas, in the 1950s, Doc Watson began playing the electric guitar with Jack Williams' band and developed his trademark acoustic picking style; and

Whereas, in 1961, Doc Watson joined the Clarence Ashley String Band and switched to acoustic guitar. He made his recording debut on Clarence Ashley's "Old Time Music at Clarence Ashley's" in 1961; and

Whereas, during the 1960s a revival in folk music began and Doc Watson's popularity increased; and

Whereas, in 1963, Doc Watson performed at the Newport Folk Festival and during that same year released his first solo album, "Doc Watson and Family"; and

Whereas, by 1964, Doc Watson began performing and later recording with his son, Merle Watson; and

Whereas, in 1974, Doc Watson won his first Grammy Award for Best Ethnic or Traditional Recording for his album "Then and Now" and in 1975, won another Grammy in the same category with his son Merle Watson for their album "Two Days in November"; and

Whereas, Doc Watson has won three additional Grammy Awards in the categories of Best Country Instrumental Performance in 1979 and Best Traditional Folk Recording in both 1986 and 1990; and

Whereas, Doc Watson has received the National Medal of Arts, the National Heritage Fellowship, the North Carolina Award, and several honorary doctoral degrees; and

Whereas, Doc Watson has enriched our culture with his unique mix of traditional Appalachian folk music, blues, country, gospel, and bluegrass, and his flat-picking style has influenced guitarists for generations; and

Whereas, Doc Watson continues to give limited performances and hosts the annual Merle Watson Memorial Festival in Wilkesboro, in honor of his son Merle who died in 1985; and

Whereas, Watauga County has declared July 18, 1998, as "Doc Watson Day" in Watauga County; and

Whereas, it is only fitting to honor and recognize Doc Watson, a folk artist and native son of North Carolina, who persevered and achieved greatness; Now, therefore,

Be it resolved by the Senate:

Section 1. The Senate expresses its tribute for the life and accomplishments of Doc Watson and honors the life and memory of Merle Watson.

Section 2. The Principal Clerk shall transmit a certified copy of this resolution to Doc Watson.

Section 3. This resolution is effective upon adoption.

Adopted October 1, 1998 (See page 612)

S.R. 1605, A SENATE RESOLUTION HONORING THE ONE HUNDREDTH ANNIVERSARY OF NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY, ONE OF NORTH CAROLINA'S GREATEST INSTITUTIONS.

Whereas, North Carolina Mutual and Provident Association was founded on October 20, 1898, by a group of seven prominent African-Americans: John Merrick, Dr. Aaron McDuffie Moore, Dr. James E. Shepard, William G. Pearson, Edward A. Johnson, D.T. Watson, and N.C. Bruce; and

Whereas, North Carolina Mutual and Provident Association was chartered by the General Assembly on February 28, 1899, largely due to the efforts of Senator Thomas Oscar Fuller, North Carolina's only African-American senator at that time and the sponsor of the legislation; and

Whereas, North Carolina Mutual and Provident Association began selling burial insurance in April of 1899; and

Whereas, by 1903, North Carolina Mutual and Provident Association hired its first full-time insurance agents and produced its first publication, The North Carolina Mutual, a newspaper that kept the community informed about the Association; and

Whereas, in 1919, North Carolina Mutual and Provident Association's charter was amended, changing its name to North Carolina Mutual Life Insurance Company; and

Whereas, North Carolina Mutual Life Insurance Company is the oldest and largest African-American life insurance company in the United States and the oldest life insurance company in North Carolina; and

Whereas, North Carolina Mutual Life Insurance Company is licensed to operate in 21 states and the District of Columbia and has district and branch offices in 10 states and the District of Columbia; and

Whereas, with more than nine billion dollars of insurance in force, North Carolina Mutual Life Insurance Company is ranked approximately 175 of the approximately 1,800 life insurance companies in the United States; and

Whereas, in 1986, NCM Capital Management Group, Inc., was formed to expand the company's presence in the financial arena to diversify its business and investment combinations; and

Whereas, during its 100 years of business, North Carolina Mutual Life Insurance Company has been led by only eight presidents: John Merrick, Dr. Aaron McDuffie Moore, Charles C. Spaulding, William Kennedy Jr., Asa T. Spaulding, Joseph W. Goodloe, William Kennedy III, and Bert Collins; and

Whereas, since its beginning, North Carolina Mutual Life Insurance Company has used its resources to support civic and social organizations throughout Durham and North Carolina; and

Whereas, it is only fitting that North Carolina Mutual Life Insurance Company be commended for its 100 years of continuous operation; Now, therefore,

Be it resolved by the Senate:

Section 1. The Senate congratulates North Carolina Mutual Insurance Company on its one hundred year anniversary and commends the company for its continued commitment to the City of Durham.

Section 2. The Principal Clerk shall transmit a certified copy of this resolution to the President of North Carolina Mutual Insurance Company.

Section 3. This resolution is effective upon adoption.

RESOLUTIONS FROM OTHER STATES

State of Alabama
House of Representatives

(State Seal)

MONTGOMERY, ALABAMA

Resolution

HJR 261

By Representative Al Knight

URGING CONGRESS TO ADOPT AN AMENDMENT TO THE CONSTITUTION ON THE SUBJECT OF JUDICIAL TAXATION

WHEREAS, separation of powers is fundamental to the United States Constitution and the power of the federal government is strictly limited; and

WHEREAS, under the United States Constitution, the states are to determine public policy; and

WHEREAS, it is the duty of the judiciary to interpret the law, not to create law; and

WHEREAS, our present federal government has strayed from the intent of our founding fathers and the United States Constitution through inappropriate federal mandates; and

WHEREAS, these mandates by way of statute, rule, or judicial decision have forced state governments to serve as the mere administrative arm of the federal government; and

WHEREAS, federal district courts, with the acquiescence of the United States Supreme Court, continue to order states to levy or increase taxes to comply with federal mandates, in violation of the United States Constitution and the legislative process; and

WHEREAS, the time has come for the people of this great nation and their duly elected representatives in state government, to reaffirm, in no uncertain terms, that the authority to tax under the Constitution of the United States is retained by the people who, by their consent alone, do delegate such power to tax explicitly to those duly elected representatives in the legislative branch of government whom they choose, such representatives being directly responsible and accountable to those who have elected them; and

WHEREAS, several states have petitioned the United States Congress to propose an amendment to the Constitution of the United States of America which was previously introduced in Congress; and

WHEREAS, the amendment seeks to prevent federal courts from levying or increasing taxes without representation of the people and against the people's wishes; now therefore,

BE IT RESOLVED BY THE LEGISLATURE OF ALABAMA, BOTH HOUSES THEREOF CONCURRING, as follows:

1. That we hereby urge the Congress of the United States to prepare and submit to the several states an amendment to the Constitution of the United States to add a new article providing as follows:

"Neither the Supreme Court nor any inferior court of the United States shall have the power to instruct or order a state or a political subdivision thereof, or an official of such a state or political subdivision, to levy or increase taxes."

2. That this resolution constitutes a continuing application in accordance with Article V of the Constitution of the United States.

3. That we urge the legislatures of each of the several states comprising the United States that have not yet made a similar request to apply to the United States Congress requesting enactment of an appropriate amendment to the United States Constitution, and apply to the United States Congress to propose such an amendment in the United States Constitution.

4. That copies of this resolution be provided to the President and Vice President of the United States, the presiding officer in each house of the legislature in each of the states in the union, the Speaker of the United States House of Representatives, the President of the United States Senate, and to each member of the Alabama Congressional Delegation.

(SEAL)

IN WITNESS WHEREOF, I have hereunto set my hand and have caused the GREAT SEAL of the State of Alabama to be affixed by the Secretary of State at the Capitol in the City of Montgomery on this the 20th day of April, 1998.

s/ Fob James, Jr.
GOVERNOR

s/Jim Bennett
Secretary of State

STATE OF ALASKA
THE LEGISLATURE

1998

Source	**Legislative Resolve No.**
HJR 59	84

(Seal)

Relating to an amendment to the Constitution of the United States prohibiting desecration of the Flag of the United States.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS certain actions, although arguably related to one person's free expression, nevertheless raise issues concerning public decency, public peace, and the rights of expression and sacred values of others; and

WHEREAS there are symbols of our national soul, such as the Washington monument, the United States Capitol Building, and memorials to our greatest leaders, that are the property of every American and are therefore worthy of protection from desecration and dishonor; and

WHEREAS the American Flag was most nobly born in the struggle for independence that began with "The Shot Heard Round the World" on a bridge in Concord, Massachusetts; and

WHEREAS, in the War of 1812, the American Flag stood boldly against foreign invasion, symbolized the stand of a young and brave nation against the mighty world power of that day and, in its courageous resilience, inspired our national anthem; and

WHEREAS, in the Second World War, the American Flag was the banner that led the American battle against fascist imperialism from the depths of Pearl Harbor to the mountaintop on Iwo Jima, and from defeat in North Africa's Kasserine Pass to victory in the streets of Hitler's Germany; and

WHEREAS Alaska's start was woven into the fabric of the Flag in 1959, and that 49th star has become an integral part of the Union; and

WHEREAS the American Flag symbolizes the ideals that good and decent people fought for in Vietnam, often at the expense of their lives or at the cost of cruel condemnation upon their return home; and

WHEREAS the American Flag symbolizes the sacred values for which loyal Americans risked and often lost their lives in securing civil rights for all Americans, regardless of race, sex, or creed; and

WHEREAS the American Flag was carried to the moon as a banner of goodwill, vision, and triumph on behalf of all mankind; and

WHEREAS the American Flag proudly represents the United States at Olympic events; and

WHEREAS the American Flag to this day is a most honorable and worthy banner of a nation that is thankful for its strengths and committed to curing its faults and remains the destination of millions of immigrants attracted by the universal power of the American ideal; and

WHEREAS the law as interpreted by the United States Supreme Court no longer accords to the Stars and Stripes that reverence, respect, and dignity befitting the banner of that most noble experiment of a nation-state; and

WHEREAS House Joint Resolution 54, which passed the United States House of Representatives and has been referred to the United States Senate, proposes an amendment to the United States Constitution stating, "The Congress shall have power to prohibit the physical desecration of the flag of the United States"; and

WHEREAS Senate Joint Resolution 40, introduced in the United States Senate, proposes an amendment to the United States Constitution stating, "The Congress shall have power to prohibit the physical desecration of the flag of the United States"; and

WHEREAS it is only fitting that people everywhere should lend their voices to a forceful call for restoration to the Stars and Stripes of a proper station under law and decency;

BE IT RESOLVED by the Alaska State Legislature that the Congress of the United States is requested to pass House Joint Resolution 54 or Senate Joint Resolution 40, or comparable legislation, and present to the legislatures of the several states an amendment to the Constitution of the United States that would specifically provide the Congress power to prohibit the physical desecration of the Flag of the United States; this request does not constitute a call for a constitution convention; and be it

FURTHER RESOLVED that the legislatures of the several states are invited to join with Alaska to secure ratification of the proposed amendment.

COPIES of this resolution shall be sent to the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Trent Lott, Majority Leader of the U.S. Senate; the Honorable Newt Gingrich, Speaker of the U.S. House of Representatives; the governors of each of the several states; the presiding officers of each house of the legislatures of the several states; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, United States Senators, and the Honorable Don Young, United States Representative, members of the Alaska delegation in Congress.

STATE OF ALASKA
THE LEGISLATURE

1998

Source	**Legislative Resolve No.**
SCS HJR 57 (STA)	72

(SEAL)

Relating to an amendment to the Constitution of the United States prohibiting federal courts from ordering a state or a political subdivision of a state to increase or impose taxes.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS federal courts have ordered a state or political subdivision of a state to levy or increase taxes; and

WHEREAS such an order violates fundamental principals of separation of powers under which the legislative branch is charged with the enactment of laws; and

WHEREAS such an order, coming from a federal court, severely undermines the independence of each of the states;

BE IT RESOLVED by the Alaska State Legislature that the Congress of the United States is requested to prepare and present to the legislatures of all the states an amendment to the Constitution of the United States that would prohibit a federal court from ordering a state or political subdivision of a state to increase or impose taxes in substantially the following language:

> Neither the Supreme Court nor any inferior court of the United States shall have the power to instruct or order a state or political subdivision thereof, or an official of such state or political subdivision, to levy or increase taxes.

and be it

FURTHER RESOLVED that this resolution constitutes a continuing application in accordance with Article V, Constitution of the United States, and that the legislatures of all the states are invited to join with Alaska to secure ratification of the proposed amendment.

COPIES of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Strom Thurmond, Presidnet Pro Tempore of the U.S. Senate; the Honorable Newt Gringrich, Speaker of the U.S. House of Represenatatives; to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress; and to the governors and presiding officers of the houses of the legislatures of each of Alaska's sister states.

SENATE COMMITTEE ASSIGNMENTS

COMMITTEE — **STANDING MEETING TIME/ROOM**

AGRICULTURE/ENVIRONMENT/NATURAL RESOURCES

Tues/Thurs—Room 1124 LB—11:00 AM

Chairman	Senator Albertson
Vice Chairman	Senator Gulley
Vice Chairman	Senator Horton
Vice Chairman	Senator Wellons
Ranking Minority	Senator Cochrane
Members	Senators Clark, Cooper, East, Foxx, Garwood, Jenkins, Kinnaird, McDaniel, Miller, Odom, Page, Perdue, Phillips, Weinstein

APPROPRIATIONS

Tues/Wed/Thurs—Room 643 LOB—8:30 AM

Co-Chairman	Senator Perdue
Co-Chairman	Senator Plyler
Vice Chairman	Senator Allran
Vice Chairman	Senator Cochrane
Vice Chairman	Senator East
Vice Chairman	Senator Forrester
Vice Chairman	Senator Rand
Members	Senators Albertson, Ballance, Blust, Carpenter, Clark, Dalton, Dannelly, Garwood, Gulley, Hartsell, Horton, Jenkins, Jordan, Kerr, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, Martin of Pitt, Miller, Moore, Odom, Page, Phillips, Purcell, Reeves, Rucho, Shaw of Cumberland, Warren, Weinstein, Wellons, Winner

APPROPRIATIONS ON DEPARTMENT OF TRANSPORTATION

Tues/Wed/Thurs—Room 1027 LB—8:30 AM

Chairman	Senator Jordan
Vice Chairman	Senator Albertson
Ranking Minority	Senator Carpenter
Members	Senators Reeves, Rucho

APPROPRIATIONS ON EDUCATION/HIGHER EDUCATION

Tues/Wed/Thurs—Room 414 LOB—8:30 AM

Co-Chairman	Senator Lee
Co-Chairman	Senator Winner
Ranking Minority	Senator Hartsell
Members	Senators Dalton, Garwood, Purcell

APPROPRIATIONS ON GENERAL GOVERNMENT

Tues/Wed/Thurs—Room 1124 LB—8:30 AM

Chairman	Senator Warren
Vice Chairman	Senator Lucas
Members	Senators Kinnaird, Ledbetter, Page

APPROPRIATIONS ON HUMAN RESOURCES
Tues/Wed/Thurs—Room 422 LOB—8:30 AM

Chairman	Senator Martin of Guilford
Vice Chairman	Senator Dannelly
Ranking Minority	Senator Forrester
Members	Senators Clark, Kerr, Lucas, Miller, Phillips

APPROPRIATIONS ON JUSTICE AND PUBLIC SAFETY
Tues/Wed/Thurs—Room 415 LOB—8:30 AM

Chairman	Senator Gulley
Vice Chairman	Senator Ballance
Ranking Minority	Senator East
Members	Senators Blust, Rand, Wellons

APPROPRIATIONS ON NATURAL AND ECONOMIC RESOURCES
Tues/Wed/Thurs—Room 423 LOB—8:30 AM

Chairman	Senator Martin of Pitt
Vice Chairman	Senator Jenkins
Ranking Minority	Senator Cochrane
Members	Senators Horton, Shaw of Cumberland, Weinstein

BASE BUDGET **Tues/Wed/Thurs—Room 643 LOB—8:30 AM**

Chairman	Senator Odom
Vice Chairman	Senator Allran
Vice Chairman	Senator Cochrane
Vice Chairman	Senator East
Vice Chairman	Senator Forrester
Vice Chairman	Senator Rand
Members	Senators Albertson, Ballance, Blust, Carpenter, Clark, Dalton, Dannelly, Garwood, Gulley, Hartsell, Horton, Jenkins, Jordan, Kinnaird, Ledbetter, Lee, Lucas, Martin of Guilford, Martin of Pitt, Miller, Moore, Page, Perdue, Phillips, Plyler, Purcell, Reeves, Rucho, Shaw of Cumberland, Warren, Weinstein, Wellons, Winner

CHILDREN & HUMAN RESOURCES **Wed—Room 544 LOB—11:00 AM**

Chairman	Senator Lucas
Vice Chairman	Senator Dannelly
Vice Chairman	Senator Kinnaird
Vice Chairman	Senator Martin of Guilford
Vice Chairman	Senator Winner
Ranking Minority	Senator Forrester
Members	Senators Allran, Clark, Cochrane, Cooper, East, Foxx, Kerr, Moore, Phillips, Purcell, Warren, Wellons

COMMERCE **Tues/Thurs—Room 1027 LB—11:00 AM**

Chairman	Senator Soles
Vice Chairman	Senator Cochrane
Vice Chairman	Senator Hoyle
Vice Chairman	Senator Martin of Pitt
Vice Chairman	Senator Warren
Ranking Minority	Senator Ballantine
Members	Senators Ballance, Carpenter, Dalton, Forrester, Hartsell, Jordan, Kerr, Ledbetter, Lee, Moore, Plyler, Purcell, Rand, Reeves, Shaw of Cumberland, Shaw of Guilford

EDUCATION/HIGHER EDUCATION **Wed—Room 414 LOB—10:00 AM**

Co-Chairman	Senator Lee
Co-Chairman	Senator Winner
Vice Chairman	Senator Dannelly
Vice Chairman	Senator Hartsell
Vice Chairman	Senator Hoyle
Vice Chairman	Senator Warren
Ranking Minority	Senator Allran
Members	Senators Cochrane, Cooper, Dalton, Forrester, Foxx, Garwood, Gulley, Horton, Lucas, Martin of Guilford, Perdue, Purcell, Rucho

FINANCE **Tues/Wed/Thurs—Room 544 LOB—12:00 Noon**

Co-Chairman	Senator Hoyle
Co-Chairman	Senator Kerr
Vice Chairman	Senator Cooper
Vice Chairman	Senator Shaw of Guilford
Vice Chairman	Senator Soles
Ranking Minority	Senator Allran
Members	Senators Albertson, Ballantine, Blust, Carrington, Cochrane, Dalton, Dannelly, Foxx, Gulley, Hartsell, Lee, McDaniel, Perdue, Phillips, Purcell, Rand, Reeves, Shaw of Cumberland, Webster, Weinstein, Wellons, Winner

JUDICIARY **Tues/Thurs—Room 1027 LB—10:00 AM**

Chairman	Senator Cooper
Vice Chairman	Senator Hartsell
Vice Chairman	Senator Miller
Vice Chairman	Senator Odom
Vice Chairman	Senator Soles
Vice Chairman	Senator Winner
Ranking Minority	Senator Carpenter
Members	Senators Albertson, Allran, Ballance, Ballantine, Blust, Forrester, Gulley, Horton, Hoyle, Kerr, Lee, Lucas, Martin of Guilford, Moore, Rand, Reeves, Rucho, Shaw of Guilford

PENSIONS & RETIREMENT AND INSURANCE
Wed—Room 1124 LB—10:00 AM

Chairman	Senator Jenkins
Vice Chairman	Senator Blust
Vice Chairman	Senator Martin of Pitt
Vice Chairman	Senator Reeves
Vice Chairman	Senator Shaw of Cumberland
Ranking Minority	Senator McDaniel
Members	Senators Carpenter, Carrington, East, Jordan, Kinnaird, Odom, Plyler, Shaw of Guilford, Soles, Webster, Weinstein, Wellons

RULES AND OPERATIONS OF THE SENATE **Upon Call of Chairman**

Chairman	Senator Rand
Vice Chairman	Senator Carrington
Vice Chairman	Senator Gulley
Vice Chairman	Senator Phillips
Ranking Minority	Senator Forrester
Members	Senators Blust, Cooper, Horton, Hoyle, Jordan, Kinnaird, Ledbetter, Miller, Page, Plyler, Soles

STATE GOVERNMENT, LOCAL GOVERNMENT, AND PERSONNEL
Wed—Room 1124 LB—11:00 AM

Chairman	Senator Miller
Vice Chairman	Senator Dalton
Vice Chairman	Senator Jordan
Vice Chairman	Senator Webster
Ranking Minority	Senator Ledbetter
Members	Senators Albertson, Ballance, Hartsell, Jenkins, Moore, Reeves, Shaw of Guilford, Soles

TRANSPORTATION **Wed—Room 1027 LB—11:00 AM**

Chairman	Senator Shaw of Cumberland
Vice Chairman	Senator Carpenter
Vice Chairman	Senator Gulley
Vice Chairman	Senator Lee
Vice Chairman	Senator Weinstein
Ranking Minority	Senator Clark
Members	Senators Carrington, Garwood, Hoyle, Martin of Pitt, McDaniel, Odom, Page, Plyler, Rand

WAYS & MEANS **Upon Call of Chairman**

Chairman	Senator Dannelly
Vice Chairman	Senator Kerr
Vice Chairman	Senator Lucas
Ranking Minority	Senator Allran
Members	Senators Ballance, Ballantine, Blust, Carrington, Clark, East, Hoyle, Jenkins, Ledbetter, Martin of Pitt, Martin of Guilford, Odom, Perdue, Plyler, Warren, Webster

SENATE SELECT COMMITTEES

CONGRESSIONAL REDISTRICTING **Upon Call of Chairman**

Chairman Senator Cooper

Members Senators Albertson, Ballance, Ballantine, Cochrane, Forrester, Gulley, Hoyle, Martin of Pitt, Martin of Guilford, Rand, Soles, Webster, Winner

THE FUTURE OF THE COURTS **Upon Call of Chairman**

Chairman Senator Ballance

Members Senators Allran, Cooper, Dalton, Dannelly, Hartsell, Horton, Kerr, Martin of Pitt, Martin of Guilford, Odom, Rand, Reeves, Soles, Wellons, Winner

SESSION LIMITS **Upon Call of Chairman**

Chairman Senator Cooper

Members Senators Ballance, Blust, Cochrane, Dalton, Forrester, Gulley, Hartsell, Hoyle, Lucas, Rand, Shaw of Guilford, Soles, Winner

STATUTORY COMMITTEE

NEW LICENSING BOARD, JOINT LEGISLATIVE **Upon Call of Chairman**

Chairman Rep. Frank Mitchell

Members Senators: Hartsell, Miller, Soles, Wellons

Representatives: McCombs, Sherrill, G. Wilson, Yongue

SENATE STAFF

OFFICE OF THE PRESIDENT

Lieutenant Governor	Dennis A. Wicker
Chief of Staff	Kaye L. Gattis
Directors	
Communications	Robert D. Phillips
Policy/Research/Constituent	Ssycret Jackson
Scheduling	Maggie Pollock
Executive Assistant	Greta L. Rogers
Senior Policy Advisor	Zee Lamb
Special Assistant/Office Affairs	Shirley Fowler
Security	Sergeant Tim Bolduc
	Trooper Andrew Haswell
	Trooper Vann Burton

OFFICE OF THE PRESIDENT *PRO TEMPORE*

President *Pro Tempore*	Marc Basnight
General Counsel/Liaison	Norma Mills
Communications Director	Julia White
Director of Research	Rolf Blizzard
Executive Assistant	Angela Talton
Special Assistants	
Legislative Affairs	Kyle Armentrout
Citizen Affairs	Mary King
Page Program	
Coordinator	Cindy Garrison
Supervisor	Tonita Stephenson

OFFICE OF THE DEPUTY PRESIDENT *PRO TEMPORE*

Deputy President *Pro Tempore*	Frank W. Ballance, Jr.
Administrative Assistant	Irma Avent

OFFICE OF THE PRINCIPAL CLERK

Principal Clerk	Janet B. Pruitt
Administrative Clerks	Mona R. Fitzgerald
	Tracie J. McLamb
Calendar Clerk	Linda Stephenson
Assistant Calendar Clerks	Sharon Gregory
	Sherri Joyner
	Elaine Tant
Journal Clerk	Sonia B. Wiggins
Assistant Journal Clerks	Beverly H. Allen
	Chad Benesh
	Betty Morris Bridger
	Eryn Gee
	Rennie Hobby
	Betty Naylor

READING CLERK LeRoy Clark, Jr.

OFFICE OF THE SERGEANT-AT-ARMS

Sergeant-at-Arms		Cecil Goins
Deputy/Secretary		Martha Dunn
Assistants	James Blount	Mary Perry
	Collis Brown	Hubert Poole
	Michael Houser	Phil Riley
	Stanley Johnson	George Robinson
	Archie McMillan	Ronald Spann
	Charles Marsalis	Leslie Wright

COMMITTEE CLERKS/SECRETARIES

Supervisor — Dot Waugaman

Name	Senator	Clerk of Committee
Avent, Irma	Ballance	Deputy President *Pro Tempore*
Beason, Janet	Dalton	
Birdsong, Julia	Albertson	Agriculture/Environment/Natural Res.
Blackwood, Gerry		Office of Supervisor - substitute
Blake, Lorraine	Purcell	
Blalock, Janet	Soles	Commerce, Majority Caucus Chair
Bowles, Gerry	Phillips	
Brothers, Nancy	Rand	Rules & Operations of the Senate
Brown-Peyton, Melody	Shaw of Cumberland	Transportation
Caldwell, Wilma	Warren	Appropriations on General Government
Canady, Anne	Perdue	Appropriations
Carpenter, Helen	Carpenter	
Costello, Evelyn	Rand	Rules & Operations of the Senate
David-Yerumo, Bernie	Lucas	Majority Caucus Secretary; Children & Human Resources
Davis, Kathy	Carrington	
DeWitt, Sheila	Shaw of Guilford	Minority Leader
Drew, Frances	Wellons	
Eldridge, Barbara	Page	
Funderburk, Elaine	Blust	
Garrison, Cindy		Office of Supervisor, Page Coordinator
Gooden, Carolyn	Martin of Pitt	Appropriations on Natural and Economic Resources
Halifax, Peggy	Ledbetter	
Hartsell, Evelyn	Kerr	Finance
Haynes, Katy	Jenkins	Pensions & Retirement/Insurance
Haywood, Gloria	Jordan	Appropriations on Transportation
Hedspeth, Becky	Reeves	
Hines, Linda	Clark	
Hodge, Dee	Dannelly	Ways & Means
Hogan, Peggy Anne	Ballantine	
Honeycutt, Carolyn	Hoyle	Finance
Johnson, Betty	Allran	
Johnson, Gerry	Hartsell	
Jordan, Martha	Garwood	
Joyner Wanda	McDaniel	
King, Margaret	Moore	

King, Mary	Basnight	President *Pro Tempore*
Leatherman, Joan	Soles	Majority Caucus Chair; Commerce
Lefort, Terry	Weinstein	
McBride, Cornelia		Office of Supervisor - substitute
McMillan, Cornelia	Miller	State Gov't., Local Gov't., and Personnel
Misner, Pat	Plyler	Appropriations
Mitchell, Connie	Plyler	Appropriations
Moore, Susan	Cooper	Majority Leader; Judiciary
Murphy, Sarah		Office of Supervisor - substitute
Nickerson, Janet		Office of Supervisor - substitute
Parrish, Claudette		Office of Supervisor, Assistant
Porter, Phyllis	Cochrane	
Pulley, Nancy	East	
Resar, Carol	Gulley	Appropriations on Justice & Public Safety
Soles, Anne	Foxx	
Spears, Vickie	Winner	Majority Whip; Appropriations on Education/Higher Ed.; Education/Higher Education
Stephenson, Tonita		Office of Supervisor, Page Supervisor
Stoddard, Betty	Lee	Appropriations on Eduction/Higher Ed.
Talton, Angela	Basnight	President *Pro Tempore*
Taylor, Mary Lee	Weinstein	
Thompson, Lucille	Cooper	Office of Majority Leader
Walker, Carole	Rucho	
Watson, Mary	Forrester	
Webster, Legrand	Webster	
Williams, Penny	Hoyle	Finance
Wilson, Anne	Odom	Base Budget
Woodlief, Meredith		Office of Supervisor – substitute
Yates, Heidi	Moore	
Young, Kathie	Kinnaird	

PRESIDENT OF THE SENATE APPOINTMENTS

The following appointments to Boards were made during 1998 by The Honorable Dennis A. Wicker, Lieutenant Governor and President of the Senate.

	Appointed	Expires
CRIMINAL JUSTICE PARTNERSHIP ADVISORY BOARD		
Mr. David "Crockett" Long	8/19/98	6/30/2001
ECONOMIC DEVELOPMENT BOARD		
G.S. 143B-434		
The Honorable Carl J. Stewart, Jr.	1/20/98	6/30/2002
RURAL ECONOMIC CENTER BOARD OF DIRECTORS		
The Honorable Thomas K. Jenkins	8/12/98	
VAGABOND SCHOOL OF DRAMA BOARD OF TRUSTEES		
The Honorable Thomas K. Jenkins	8/12/98	1/31/2000

PRESIDENT *PRO TEMPORE* APPOINTMENTS

The following appointments to Boards, Commissions, and Committees were made during 1998 by The Honorable Marc Basnight, Senate President *Pro Tempore.*

		Appointed	Expires
ACUPUNCTURE LICENSING BOARD			
G.S. 90-453			
	Dr. Robert J. Reo	11/9/98	6/30/2001
AGING, GOVERNOR'S ADVISORY COUNCIL			
G.S. 143B-181			
	Mrs. Eleanor Beasley	9/1/98	6/30/99
	Mrs. Helen Buckner	9/1/98	6/30/2002
AGRICULTURAL FINANCE AUTHORITY			
G.S. 122D-4			
	Mr. Jimmy A. Harrell, Jr.	11/17/98	6/30/2001
	Mr. J. D. Teachey, Jr.	11/17/98	6/30/2001
	Mr. Robert Frank Timberlake	11/9/98	6/30/2001
AIR QUALITY COMPLIANCE ADVISORY PANEL			
G.S. 143B-318			
	Mr. Owen M. Maxwell	8/6/98	12/31/2001
ALARM SYSTEMS LICENSING BOARD			
G.S. 74D-4			
	Mr. Guy J. Phillips	11/9/98	6/30/2001
ARBORETUM BOARD OF DIRECTORS			
G.S. 116-243			
	Ms. Susan B. Roderick	11/12/98	6/30/2002
ART MUSEUM BOARD OF TRUSTEES			
G.S. 140-5.13(b)(5)			
	Mrs. Julia Bryan Jones Daniels	5/8/98	6/30/99
BASEBALL DISTRICT AUTHORITY, FORSYTH-GUILFORD METROPOLITAN			
SB 389 (Ch. 380, Section 4.4, 1997)			
	Mr. R. Steve Bowden	1/16/98	7/1/99
	Mr. Reg Haines	1/16/98	7/1/2001
BINGO REGULATION COMMITTEE/LRC			
S.L. 1997-483, Sec. 2.1(1)-(SB 32)			
	Ms. Betty Pitts	1/7/98	Final Report
BLIND, CONSUMER AND ADVOCACY ADVISORY COMMITTEE			
G.S. 143B-164			
	Senator Luther H. Jordan, Jr.	2/16/98	6/30/99

President *Pro Tempore* Appointments	Appointed	Expires
BRIDGE AUTHORITY		
G.S. 136-89.161		
Mr. Ernie Bowden	2/16/98	6/30/2001
CHILD CARE COMMISSION		
G.S. 143B-168.4		
Mrs. Debra Mull Harrill	11/9/98	6/30/2000
Ms. Diana Jones Wilson	11/9/98	6/30/2000
CHILD CARE STUDY COMMISSION		
S.L. 1997-506, Sec. 28.2-(SB 929)		
Senator Jim Phillips (Co-Chair)	1/15/98	Final Report
Senator Virginia Foxx	1/14/98	
Senator Jesse I. Ledbetter	1/15/98	
CHILDREN WITH DISABILITIES - BIRTH TO FIVE YEARS		
G.S. 143B-179.5		
Senator Jeanne H. Lucas	8/6/98	7/1/2000
Senator Kenneth R. Moore	8/6/98	7/1/2000
CHILDREN AND YOUTH STUDY COMMISSION		
G.S. 120-210		
Senator Austin M. Allran	1/13/98	8/13/99
Senator Charlie S. Dannelly	1/13/98	8/13/99
Senator Jesse I. Ledbetter (**Resigned**)	1/13/98	8/13/99
Senator R. L. "Bob" Martin	1/13/98	8/13/99
Senator William R. Purcell	1/13/98	8/13/99
Senator Ed N. Warren	1/26/98	8/13/99
The Honorable Joseph M. Buckner	1/20/98	8/13/99
Mr. Charles Franklin	1/13/98	8/13/99
Ms. Linda Dew Garrou (**Resigned**)	1/13/98	8/13/99
Ms. Cathy Lawrence	2/23/98	8/13/99
Dr. Jonathan P. Sher	1/13/98	8/13/99
Mr. Matthew B. Slotkin	1/27/98	8/13/99
Mr. Stan White	1/13/98	8/13/99
CHILDREN WITH SPECIAL NEEDS		
G.S. 120-58		
Senator Charlie S. Dannelly	9/15/98	7/31/99
Senator Jeanne H. Lucas	8/24/98	7/31/99
Senator Kenneth R. Moore	9/15/98	7/31/99
Dr. Sudesh Kataria	8/24/98	7/31/99
CHIROPRACTIC EXAMINERS STATE BOARD		
G.S. 90-139(b)		
Dr. Richard K. Davis, Jr.	11/9/98	6/30/2001

President *Pro Tempore* Appointments	Appointed	Expires
CODE OFFICIALS QUALIFICATION BOARD		
G.S. 143-151.9		
Ms. Barbara H. Mulkey	11/6/98	6/30/2002
Ms. Deborah Simpson	11/6/98	6/30/2000
COOPERATIVE EXTENSION SERVICE COMMITTEE		
S.L. 1997-483, Sec. 2.1(17)-(SB 32)		
Senator Walter Dalton (Co-Chair)	2/11/98	
Senator Charlie Albertson	2/11/98	
Senator John A. Garwood	2/13/98	
Senator Fletcher L. Hartsell, Jr.	2/9/98	
Senator Eric M. Reeves	2/9/98	
Ms. Lois G. Britt	2/13/98	
Mr. Rouse Ivey	2/13/98	
Colonel Cleveland Simpson	2/13/98	
The Honorable Joseph E. Thomas	2/12/98	
COURTS COMMISSION		
G.S. 7A-506		
Senator Allen H. Wellons	2/11/98	6/30/99
CRIME COMMISSION		
G.S. 143B-478		
Senator Eric M. Reeves	3/19/98	2/28/99
CRIMINAL JUSTICE PARTNERSHIP ADVISORY BOARD		
G.S. 143B-272.6		
The Honorable Ernest Wright	9/1/98	11/30/2001
CRIME VICTIMS COMPENSATION COMMISSION		
G.S. 15B-3(a)		
Mr. John K. Gallaher, Sr.	5/8/98	6/30/99
DIETETICS/NUTRITION BOARD		
G.S. 90-353		
Ms. Anne Ake	11/12/98	6/30/2000
DISCIPLINARY HEARING COMMISSION OF THE NORTH CAROLINA STATE BAR		
G.S. 84-28.1		
Mr. Robert Franz	11/5/98	6/30/2001
DOMESTIC VIOLENCE COMMITTEE		
S.L. 1997-483, Sec. 2.1(5)-(SB 32)		
Sgt. John Guard	2/10/98	Final Report

President *Pro Tempore* Appointments	Appointed	Expires
EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES, JOINT LEGISLATIVE OVERSIGHT COMMITTEE		
G.S. 120-70.90(1)		
Senator Jeanne H. Lucas (Co-Chair)	2/20/98	1/31/99
Senator Austin M. Allran	2/20/98	1/31/99
Senator Charlie S. Dannelly	2/24/98	1/31/99
Senator Virginia Foxx	2/20/98	1/31/99
Senator William R. Purcell	2/20/98	1/31/99
Senator Leslie Winner	2/20/98	1/31/99
ECONOMIC DEVELOPMENT COMMISSION, NORTHEASTERN NORTH CAROLINA REGION		
G.S. 158-8.2		
Mr. Ralph S. Mobley	11/23/98	6/30/99
ENERGY POLICY COUNCIL		
G.S. 113B-3		
Senator Wib Gulley	2/18/98	1/31/99
Senator Hamilton C. Horton, Jr.	2/18/98	1/31/99
ETHICS COMMITTEE		
G.S. 120-99		
Senator Howard N. Lee (Co-Chair)	3/4/98	12/31/99
FIRST FLIGHT CENTENNIAL COMMISSION		
G.S. 143-640		
Colonel James "Red" Smith	9/17/98	6/30/2000
Ms. Lois Pearce Smith	10/20/98	7/1/2000
FORESTRY ADVISORY COUNCIL		
G.S. 143B-309		
Mr. J. W. Jones	2/10/98	6/30/99
Mr. William Griffin	3/2/98	6/30/2001
Mr. R. E. Newton	2/10/98	6/30/2001
Mr. Gordon J. Smith	1/30/98	6/30/2001
FUTURE STRATEGIES FOR NORTH CAROLINA, JOINT LEGISLATIVE COMMISSION		
G.S. 120-84.6		
Senator Charlie Albertson	3/10/98	
Senator Luther H. Jordan, Jr.	3/10/98	
Senator John H. Kerr III	3/10/98	
Senator Howard N. Lee	3/23/98	
Senator Aaron W. Plyler	3/10/98	
Senator Robert A. Rucho	3/10/98	
GOVERNOR'S ADVOCACY COUNCIL ON CHILDREN AND YOUTH		
G.S. 143B-415		
Senator Ellie Kinnaird	3/11/98	6/30/2001
Senator Jeanne H. Lucas	8/6/98	6/30/2001

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GOVERNOR'S ADVOCACY COUNCIL ON PERSONS WITH DISABILITIES		
G.S. 143B-403.2		
Mr. George Kernes	8/6/98	6/30/99
GOVERNOR'S COUNCIL ON PHYSICAL FITNESS AND HEALTH		
G.S. 130A-33.41		
Senator R. L. "Bob" Martin	1/29/98	7/1/99
HEALTH CARE OVERSIGHT COMMITTEE, JOINT LEGISLATIVE		
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Senator William R. Purcell	5/14/98	
HEALTH POLICY INFORMATION COUNCIL		
Executive Order No. 95		
Senator Luther H. Jordan, Jr.	3/16/98	
HEART DISEASE AND STROKE PREVENTION TASK FORCE		
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Senator James Forrester	2/24/98	Final Report
Senator Eric M. Reeves	2/24/98	
Senator Ed N. Warren	2/24/98	
Mr. Jesse Basnight	2/24/98	
Ms. Marian Duncan	2/24/98	
Mrs. Ida Friday	2/24/98	
Mr. Jim Ross	2/24/98	
Ms. Joan Tuttle	2/24/98	
HOME INSPECTOR LICENSURE BOARD		
G.S. 143-151.46		
Mr. Roger R. Pierce	11/4/98	7/1/99
Mr. Jeff Vaughn	11/4/98	6/30/2002
HUMAN RELATIONS COMMISSION		
G.S. 143B-392		
Mr. Hugh B. Grant	9/3/98	6/30/2002
Mr. James Jones	9/1/98	6/30/2002
INCENTIVE BONUS REVIEW COMMITTEE		
G.S. 143-345.14		
Mr. Michele Tavernise	1/26/98	
INTERNSHIP COUNCIL		
G.S. 143B-418		
Ms. Shawn Dent	1/5/98	
JOB TRAINING STUDY COMMISSION		
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Senator David W. Hoyle	2/10/98	Final Report

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JUDICIAL RESOURCES ALLOCATION STUDY COMMISSION		
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Senator Anthony E. Rand (Co-Chair)	2/16/98	Final Report
Senator Frank W. Ballance	2/16/98	
Senator Patrick J. Ballantine	2/17/98	
Senator Fountain Odom	2/16/98	
Mr. Tommy Griffin	2/17/98	
The Honorable William C. Griffin, Jr.	2/17/98	
Mr. William C. Young	2/17/98	
LOW-LEVEL RADIOACTIVE WASTE, JOINT SELECT COMMITTEE		
G.S. 120-70.32		
Senator David W. Hoyle (Co-Chair)	1/5/98	
Senator James Forrester	1/5/98	
Senator Hamilton C. Horton, Jr.	1/5/98	
Senator John H. Kerr III	1/5/98	
Senator William N. Martin	1/7/98	
Senator William R. Purcell	1/5/98	
LOW-LEVEL RADIOACTIVE WASTE MANAGEMENT AUTHORITY		
G.S. 104G-5		
Mr. Vernon James	11/17/98	6/30/2002
MANUFACTURED HOUSING BOARD		
G.S. 143-143.10		
Mr. J. P. Cauley	11/17/98	9/30/2001
Mr. Troy Brickey	11/17/98	9/30/2001
MEDICAL MALPRACTICE COMMITTEE		
G.S. 120-30.17		
Mr. John Drew Warlick	2/3/98	Final Report
MINORITY HEALTH ADVISORY COUNCIL		
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Senator Jeanne H. Lucas	9/23/98	6/30/2000
Senator Charlie S. Dannelly	9/23/98	6/30/2000
Dr. Betty Alexander	9/1/98	6/30/2002
Dr. Elaine Hart-Brothers	9/1/98	6/30/2002
MOTOR VEHICLE DEALERS ADVISORY BOARD		
G.S. 20-305.4		
Mr. Martin Hancock	5/15/98	6/30/99
MUNICIPAL INCORPORATIONS, JOINT LEGISLATIVE		
G.S. 120-158		
Senator Wib Gulley	1/7/98	6/30/99
Senator Fletcher L. Hartsell, Jr.	1/7/98	6/30/99
Mr. Ronald R. Kimble	1/12/98	6/30/99

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NATURAL HERITAGE TRUST FUND BOARD OF TRUSTEES			
G.S. 113-77.8			
	Mr. George Richards	2/2/98	12/31/2003
NURSING CENTER BOARD OF DIRECTORS			
G.S. 90-171.71			
	Mr. Rick Gilstrap	11/6/98	6/30/2001
OSTEOPOROSIS TASK FORCE			
S.L. 1997-443, Sec. 15.32-(SB 352)			
	Ms. Barbara R. Cale	1/7/98	Final Report
	Ms. Brenda Summers	1/6/98	
PARKS AND RECREATION AUTHORITY			
G.S. 143B-313.2			
	Mr. Roy Alexander	11/17/98	6/30/99
	Mr. Troy Boyd	11/17/98	6/30/99
	The Honorable Tom Garrison, Sr.	11/17/98	6/30/2000
	Ms. Kathy Sherron	11/17/98	6/30/2000
PARTNERSHIP FOR CHILDREN, INC. BOARD OF DIRECTORS			
G.S. 143B-168.11			
	Ms. Faye M. Nelson	1/27/98	8/31/2000
POSTAL HISTORY COMMISSION			
G.S. 143-675			
	Ms. Anna Bailey	2/2/98	6/30/2000
PRIVATE PROTECTIVE SERVICES BOARD			
G.S. 74C-4(b)			
	Ms. Thomas J. Burgin, Jr.	11/17/98	6/30/2000
	Mr. Mack Donaldson	11/9/98	6/30/2001
PUBLIC HEALTH STUDY COMMISSION			
G.S. 120-197			
	Senator Jeanne H. Lucas (Co-Chair)	8/24/98	6/30/2000
	Senator Patrick J. Ballantine	8/24/98	6/30/2000
	Senator Roy Cooper	8/24/98	6/30/2000
	Senator James Forrester	8/24/98	6/30/2000
	Senator William N. Martin	8/24/98	6/30/2000
PUBLIC SCHOOLS STUDY COMMISSION			
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	Senator William N. Martin	3/26/98	Final Report
RAIL COUNCIL			
G.S. 143B-363			
	Senator R. L. "Bob" Martin	3/9/98	6/30/99
	Mr. Bruce A. Radford	3/10/98	6/30/99

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ROANOKE ISLAND COMMISSION		
G.S. 143B-131.2		
Ms. Dawn Enochs	1/13/98	
Mr. Ray Evans	1/13/98	
Mr. Bobby Owens	1/9/98	
Ms. Bebe Woody	1/13/98	
RULES REVIEW COMMISSION		
G.S. 143B-30.1		
Mr. John Arrowood	11/24/98	6/30/99
Ms. Laura DeVan	11/24/98	6/30/99
Ms. Teresa L. Smallwood	11/24/98	6/30/2000
SCHOOL HEALTH ADVISORY COMMITTEE		
G.S. 115C-81(e)(6)(c)		
Senator James Forrester	1/29/98	6/30/2000
SCHOOL TECHNOLOGY COMMISSION		
G.S. 115C-102.5		
Senator Howard N. Lee	1/12/98	6/30/99
Senator William N. Martin	1/5/98	6/30/99
Mr. Fred Bartholomew	1/5/98	6/30/99
Mr. Terry Mitchell	1/12/98	6/30/99
Mr. Gary Steppe	1/5/98	6/30/99
Mrs. Brenda Tinkam	1/5/98	6/30/99
SEX OFFENDER AND PUBLIC PROTECTION REGISTRATION PROGRAMS		
G.S. 7A-647		
Senator Betsy L. Cochrane	1/13/98	
Senator Jeanne H. Lucas	1/13/98	
Senator William N. Martin	1/13/98	
Senator Eric M. Reeves	1/13/98	
Mr. Sonny Peoples	1/13/98	
Mr. Dale R. Stubbs	1/13/98	
SOIL SCIENTISTS LICENSING BOARD		
G.S. 89F-4		
Mr. John P. Lilly	11/17/98	6/30/2001
SOUTHERN DAIRY COMPACT		
G.S. 106-811 (a-2)		
Mr. Dewitt Hardee	5/8/98	5/8/2002
SOUTHERN GROWTH POLICIES BOARD		
G.S. 143-492		
Senator Roy A. Cooper	3/6/98	6/30/99

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STANDARDS AND ACCOUNTABILITY COMMITTEE		
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Senator John A. Garwood	1/9/98	
Ms. Elizabeth Dodd	1/9/98	
STATE BANKING COMMISSION		
G.S. 53-92		
Mr. Arthur H. Kenney III	11/4/98	3/31/99
STATE BUILDING COMMISSION		
G.S. 143-135.25		
Mr. Robert Jones	11/9/98	6/30/2001
STATE CONSTRUCTION STUDY COMMITTEE		
G.S. 120-30.17		
Mr. James H. Boniface (Co-Chair)	2/3/98	Final Report
Senator David W. Hoyle	2/3/98	
Senator Aaron W. Plyler	1/28/98	
Mr. Cleve Paul	2/3/98	
Mr. Willy Stewart	2/3/98	
STATE GOVERNMENT SERVICES IMPROVEMENT COMMITTEE		
S.L. 1997-483, Sec. 2.3- (SB 32)		
Mr. Marc King	1/27/98	Final Report
The Honorable Robert D. Warren	2/3/98	
STATE PORTS AUTHORITY		
G.S. 143B-452		
Mr. Clyde Davis	11/10/98	6/30/2000
STRUCTURAL PEST CONTROL COMMITTEE		
G.S. 106-65.23		
Mr. William A. Tesh	11/23/98	6/30/2002
TEACHER ACADEMY BOARD OF TRUSTEES		
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Mr. William "Bill" Cunningham III	3/18/98	6/30/2001
Ms. Louise Ramsey	3/18/98	6/30/2001
TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN BOARD OF TRUSTEES		
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Mr. James Vann	11/17/98	6/30/2001
TECHNOLOGIES, ALLIANCE FOR COMPETITIVE		
Executive Order No. 94		
Senator John Carrington	3/10/98	1/31/99
Senator William N. Martin	3/10/98	1/31/99

President *Pro Tempore* Appointments	Appointed	Expires
THERAPEUTIC RECREATION CERTIFICATION BOARD		
G.S. 90C-5		
Mr. Hank Debnam	11/9/98	6/30/2000
Mr. Wayne B. Pollock	11/9/98	6/30/2001
TRANSPORTATION BOARD		
G.S. 143B-350(d)		
Mrs. Louise McColl	11/17/98	
Mr. Alfred Douglas Reed	3/4/98	
VOCATIONAL REHABILITATION ADVISORY COUNCIL		
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Ms. Carolyn Dust	8/24/98	6/30/99
Mr. Jim McDermott	11/10/98	6/30/2001
WATERCRAFT SAFETY COMMITTEE		
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Mr. Robert C. Elliott	10/20/98	
WIRELESS 911 BOARD		
G.S. 62B-2		
Mr. Russell Bass	12/21/98	
Mr. Max H. Hopper	12/21/98	
Mr. Willard T. Leonard	12/21/98	
Mr. Doug Matheson	12/21/98	
Ms. Cindy Smith	12/21/98	

NATIONAL CONFERENCE OF STATE LEGISLATURES
1997-1998 STANDING COMMITTEES
APPOINTMENTS BY THE PRESIDENT *PRO TEMPORE*

ASSEMBLY ON STATE ISSUES

Arts and Tourism
Senator David Hoyle

Children, Families, and Health
Senator Bill Martin

Communications and Information Policy
Senator Eric Reeves

Criminal Justice
Senator Wib Gulley

Education
Senator William Purcell

Fiscal, Oversight and Intergovernmental Affairs
Senator Betsy Cochrane

Legislative Effectiveness
Senator Roy Cooper III

Science, Energy, and Environmental Resources
Senator David Hoyle
Senator David Weinstein

Reapportionment Task Force
Senator Roy Cooper III

ASSEMBLY ON FEDERAL ISSUES

Agriclture and International Trade
Senator Charlie Albertson
Senator John Garwood (Alternate)
Senator Jim Phillips (Alternate)
Senator Allen Wellons (Alternate)

Commerce and Communications
Senator R. C. Soles, Jr.
Senator Robert Carpenter (Alternate)
Senator John Kerr III (Alternate)
Senator Ed Warren (Alternate)

Education, Labor and Job Training
Senator Howard Lee
Senator Walter Dalton (Alternate)
Senator Fletcher Hartsell Jr. (Alternate)
Senator Robert Shaw (Alternate)

Energy and Transportation
Senator Luther Jordan
Senator David Hoyle (Alternate)
Senator R. L. Martin (Alternate)
Senator Larry Shaw (Alternate)

Environment
Senator T. L. Odom
Senator Charlie Albertson (Alternate)

Environment (continued)
Senator Ellie Kinnaird (Alternate)
Senator R. L. Martin (Alternate)

Federal Budget and Taxation
Senator Aaron Plyler
Senator Jim Forrester (Alternate)
Senator T. L. Odom (Alternate)
Senator Beverly E. Perdue (Alternate)

Health
Senator Tony Rand
Senator Jim Forrester (Alternate)
Senator Bill Martin (Alternate)
Senator Jim Phillips (Alternate)

Human Services
Senator Jeanne Lucas
Senator Austin Allran (Alternate)
Senator Charlie Dannelly (Alternate)
Senator Virginia Foxx (Alternate)

Law and Justice
Senator Roy Cooper III
Senator Frank Ballance, Jr. (Alternate)
Senator Brad Miller (Alternate)
Senator R. C. Soles, Jr. (Alternate)

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S 843 Insurance Technical Changes. (Conference Com) ..... 313, 320, 322, 334.
S 879 Salary and Retirement Funds. (S.L. 1998-153.) ..... 567, 582, 583, 587, 593.
S 1015 Welfare Reform Act of 1997-2. (H Appr-Hum Com)
(Inc. S.L. 1998-212.) ..... 1205, 1222, 1249.
S 1176 No Per Diem. (H Passed 3rd Rdg) ..... 40, 497, 508.
S 1198 Annex & Incorporation Revision. (H 1361)
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S 1226 Revenue Laws Technical Changes. (S.L. 1998-98.) ..... 60, 172, 178, 184, 351, 361, 374, 377, 418.
S 1428 Appointments/Pest Control Commission.
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S 1463 Retirement Benefits Act 1998. (H 1516)
(reref Appr Com) ..... 114, 225.
S 1464 Increase Retiree Death Benefit. (H 1584)
(reref Appr Com)(Inc. S. L. 1998-212.) ..... 115, 187.
S 1465 Modify Election of Optional Allowance.
(reref Appr Com)(Inc. S.L. 1998-212.) ..... 115, 204.
S 1595 Lobbyist Gifts Restricted. (Rules Com) ..... 135.
H 349 Salisbury Street Parking. (S.L. 1998-156.) ..... 384, 391, 398, 498, 511, 519, 544, 593.
H 1361 Annex and Incorporation Revision. (S 1198)
(S.L. 1998-150.) ..... 285, 533, 537, 539, 580.
H 1469 State Personnel Commission Reorganized.
(S.L. 1998-181.) ..... 414, 590, 598, 607, 625, 646.

GENERAL STATUTES [G.S. 164]

S 1243 Clerks of Court on Commissions.
(S.L. 1998-170.) ..... 63, 275, 287, 587, 618.
S 1260 Juvenile Justice Reform Act. (H 1373)
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GEOLOGIST LICENSING ACT [G.S. 89E]

GLOBAL TRANSPARK AUTHORITY [G.S 63A]

GOINS, CECIL (Sergeant-at-Arms)

GOOD FUNDS SETTLEMENT ACT [G.S. 45A]

GOVERNMENT REORGANIZATION [G.S. 143A]

GOVERNOR (The Honorable James B. Hunt, Jr.)

GRAHAM COUNTY—District 42—Senator Robert C. Carpenter
S 1466 Tribal Building Inspections. (H 1397)
(S.L. 1998-21.).....115, 163, 173, 234, 239.

GRANVILLE COUNTY—District 13—Senator Wib Gulley
Senator Jeanne H. Lucas

GREENE COUNTY—District 8—Senator John H. Kerr III

GUILFORD COUNTY—District 12—Senator Don W. East
Senator Virginia Foxx
District 19—Senator Robert G. Shaw
District 31—Senator William N. Martin
District 32—Senator John M. Blust
S 1273 Kernersville Attorney Appointment.
(S.L. 1998-115.).....68, 94, 242, 250, 442, 445.
S 1343 Guilford Local Act. (Rules Com)..... 85.
H 72 Oak Ridge Incorporated. (S.L. 1998-113.).....150, 363, 375, 381, 390, 408, 415, 420, 436, 437, 439.
H 1401 Pleasant Garden Boundaries. (S.L. 1998-205.).....210, 367, 1210, 1216, 1226, 1242.

GULLEY, Senator Wib.....13th District—**Durham,** Granville, Person (part), Wake (part).
Absent of Leave..... 170, 296, 323, 330, 337, 345, 386, 395, 402, 413, 534, 586, 622 (portion), 628, 634, 1202 (portion).
Adjournment Motion—Second.....354, 1201, 1242, 1243.
Committee Assignments—
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Remarks Spread—
Honoring North Carolina Mutual Life Insurance Company. ..... 613.
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Co-Sponsor..... 1092, 1093, 1107, 1108, 1125, 1137, 1189, 1212, 1224, 1231, 1258, 1260, 1280, 1292, 1309, 1310, 1311, 1354, 1382, 1393, 1468, 1477, 1495, 1499, 1526, 1533, 1534, 1559, 1572, 1602, 1605.

HABEAS CORPUS [G.S. 17]

HALIFAX COUNTY—District 2—Senator Frank W. Ballance, Jr.
District 10—Senator Roy A. Cooper III
S 1420 Halifax Mobile Structures Allowed.
(S.L. 1998-4.).....83, 85, 152, 155.
S 1475 Senate District 10 Local Act. (Rules Com)..... 116.
H 1251 Littleton Staggered Terms. (S.L. 1998-11.) .....159, 188, 194, 196, 205.
H 1533 Halifax/Roanoke Rapids Airport.
(S.L. 1998-130.).....430, 457, 500, 506, 517, 523.

HALIFAX COUNTY (continued)
H 1625 Modify Halifax Tourism Authority.
(S.L. 1998-109.).....254, 397, 406, 429, 434.

HANDICAPPED [G.S. 168]
S 843 Insurance Technical Changes. (Conference Com).....313, 320, 322, 334.

HANDICAPPED PERSONS PROTECTION ACT [G.S.168A]

HARNETT COUNTY—District 15—Senator Daniel E. Page
S 1514 Hemby Bridge/Harnett Annexation.
(S.L. 1998-143.).....121, 242, 249, 257, 512, 518, 524, 529, 537, 541, 542, 544, 554.
H 1556 Dunn Extraterritorial Jurisdiction.
(S.L. 1998-28.).....235, 242, 250, 253, 256.

HARTSELL, Senator Fletcher L., Jr......22nd District—**Cabarrus,** Rowan (part), Stanly (part).
Absent of Leave.....13, 149, 170, 240, 247, 270, 323, 386, 417, 422, 438, 517, 522, 634.
Adjournment Motion—Second.....1201, 1242, 1243.
Committee Assignments—
Conference.....273, 402, 412, 455, 528, 1218.
Select.....9.
Remarks Spread—
Memorializing Brad Ligon.....359.
Bills and Resolutions—(Senate Bills)
Primary Sponsor.....1124, 1138, 1139, 1237, 1279, 1280, 1281, 1332, 1333, 1367, 1422, 1424, 1519.
Co-Sponsor.....1095, 1096, 1107, 1108, 1111, 1126, 1127, 1128, 1129, 1150, 1151, 1225, 1226, 1227, 1228, 1229, 1230, 1241, 1242, 1252, 1260, 1288, 1289, 1290, 1291, 1317, 1318, 1326, 1354, 1382, 1386, 1393, 1394, 1400, 1408, 1456, 1477, 1480, 1571, 1598, 1602, 1605.

HAYWOOD COUNTY—District 29—Senator Thomas K. Jenkins
District 42—Senator Robert C. Carpenter
S 1466 Tribal Building Inspections. (H 1397)
(S.L. 1998-21.).....115, 163, 173, 234, 239 .
H 1290 Waynesville Abandoned Structures. (S.L. 1998-26.).....137, 241, 250, 253, 256.

HAZARDOUS WASTE (See Environment.)

HAZARDOUS WASTE MANAGEMENT COMMISSION [G.S. 130B]

HEALTH CARE FACILITIES AND SERVICES [G.S. 131E]
S 882 Civil Penalties Law Clarified. (S.L. 1998-215.).....313, 328, 336, 837, 1249.

HEALTH CARE FACILITIES AND SERVICES [G.S. 131E] (continued)
S 1278 Provider Sponsored Organization Medicare Licensing. (H 1455)(Finance Com) ..... 69, 95.
H 74 Provider Sponsored Organization Medicare Licensing. (S 48) (S. L. 1998-227.) ..... 248, 650, 831, 839, 1204, 1252.

HEALTH INFORMATION PRIVACY ACT [G.S. 132A]
S 1288 Health Care Information Privacy. (H 1495) (Judiciary Com) ..... 71, 96.

HEALTH MAINTENANCE ORGANIZATIONS [G.S. 57B]

HEARING AID DEALERS AND FITTERS BOARD [G.S. 93D]

HENDERSON COUNTY—District 29—Senator Thomas K. Jenkins
District 42—Senator Robert C. Carpenter
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HERTFORD COUNTY—District 2—Senator Frank W. Ballance, Jr.

HIGHER EDUCATION [G.S. 116]
S 1395 UNC-School Administrator Programs. (H 1668)(Ed/High Ed Com)(Inc. S.L. 1998-212.) ..... 91.
S 1535 Scholarship Student-NC Resident. (Appr Com) ..... 126.
S 1583 NCSU Centennial Campus. (H 1737) (Ed/High Ed Com) ..... 133.
H 1737 North Carolina State University Centennial Campus. (S 1583)(S.L. 1998-159.) ..... 243, 495, 496, 546, 550, 553, 600.

HIGHER EDUCATIONAL FACILITIES FINANCE ACT [G.S. 115E]
S 1556 Education Finance Act Amendment. (S.L. 1998-124.) ..... 129, 276, 288, 433, 454.

HOKE COUNTY—District 17—Senator Aaron W. Plyler
Senator William R. Purcell
District 30—Senator David Weinstein
S 1158 Senate District 17 Local Act. (Rules Com) ..... 33.
S 1159 Senate District 17. (Rules Com) ..... 33.
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S 1191 Senate District 17 Local Act. (Rules Com) ..... 42.
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S 1312 Certain Counties School Acquisition - 2. (S.L. 1998-201.) ..... 75, 100, 165, 172, 184, 561, 645, 654, 833, 839, 841, 1205.
S 1361 District 17 Local Act-4. (Rules Com) ..... 88.
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S 1364 District 17 Local Act-3. (Rules Com) ..... 88.
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HOLIDAYS [G.S. 103]

HORTON, Senator Hamilton C., Jr. ..... 20th District—**Forsyth** (part).
Absent of Leave ..... 32, 37 (portion), 238 (portion), 330 (portion), 513, 580.
Adjournment Motion—Second ..... 201, 386, 451, 1201, 1242, 1243.
Remarks Spread—
Memorializing J. Ollie Harris ..... 143.
Memorializing J. Melville Broughton, Jr. ..... 213.
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Primary Sponsor ..... 1105, 1111, 1238, 1273, 1331, 1393, 1456, 1478, 1479, 1521, 1585, 1598.
Co-Sponsor ..... 1108, 1141, 1142, 1169, 1171, 1189, 1258, 1267, 1285, 1299, 1301, 1302, 1303, 1304, 1306, 1313, 1316, 1329, 1330, 1400, 1408, 1430, 1455, 1466, 1480, 1495, 1499, 1530, 1533, 1549, 1550, 1559, 1567, 1569, 1571, 1577, 1602, 1604, 1605.

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S 1279 Technical Corrections 1998. (H 1406)
(S.L. 1998-217.) ..... 69, 95, 393, 399, 407, 412, 1235, 1236, 1238, 1241, 1250.
H 1082 Native American Special Plates.
(S.L. 1998-155.) ..... 497, 507, 510, 518, 544, 593.

HOUSING FINANCING AGENCY [G.S 122A]

HOUSING TRUST/OIL OVERCHARGE ACT [G.S. 122E]

HOYLE, Senator David W. ..... 25th District—Cleveland (part), **Gaston** (part), Lincoln (part).
Absent of Leave ..... 27, 155, 158, 176, 290, 296, 417, 428 (portion), 552, 560, 562, 586, 604, 628, 651, 655, 830, 836.
Adjournment Motion—Second ..... 82, 252, 402, 450, 637, 1201, 1242, 1243.
Committee Assignments—
Conference ..... 273, 295, 333, 395, 402, 513, 616.
Remarks Spread—
Memorializing J. Ollie Harris ..... 140.
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Primary Sponsor 1092, 1135, 1239, 1240, 1241, 1242, 1252, 1272,

HOYLE, Senator David W. (continued)
Bills and Resolutions—(Senate Bills) (continued)
Primary Sponsor (continued)..... 1389, 1390, 1391, 1431, 1432, 1433, 1568, 1569, 1570, 1571.
Co-Sponsor..... 1094, 1108, 1111, 1123, 1125, 1126, 1145, 1146, 1147, 1148, 1197, 1201, 1202, 1224, 1225, 1226, 1227, 1228, 1229, 1230, 1259, 1260, 1300, 1309, 1310, 1327, 1354, 1382, 1393, 1448, 1449, 1473, 1474, 1496, 1497, 1498, 1499, 1533, 1543, 1546, 1549, 1554, 1557, 1559, 1598, 1602.

HUNT, The Honorable James B., Jr., Governor

HURRICANES AND OTHER ACTS OF NATURE [G.S. 104B]

HYDE COUNTY—District 1—Senator Marc Basnight

IMPEACHMENT [G.S. 123]

INCOMPETENCE AND GUARDIANSHIP [G.S. 35A]
S 1260 Juvenile Justice Reform Act. (H 1373)
(S.L. 1998-202.).....65, 274, 279, 287, 517, 519, 528, 531, 655, 832, 835, 837, 1215.
S 1513 Juvenile Law Revision. (H 1561)(Judiciary Com)..... 121.

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INDIAN ANTIQUITIES [G.S. 70]
S 882 Civil Penalties Law Clarified. (S.L. 1998-215.).....313, 328, 336, 837, 1249.

INDUSTRIAL AND POLLUTION CONTROL FINANCING ACT [G.S. 159C]

INFRASTRUCTURE
S 1354 Bonds/Critical Infrastructure Needs.
(S.L. 1998-132.).....87, 188, 194, 199, 206, 211, 216, 387, 401, 402, 410, 461, 501, 506, 509, 512, 523.

INHERITANCE TAX
S 1092 Reduce North Carolina Taxes.
(reref Finance Com)(Inc. S. L. 1998-212.) .....8, 10, 13, 146.
S 1096 Abolish Inheritance Tax. (Finance Com)..... 8, 13.
S 1229 Abolish Inheritance Tax Waivers. (S.L. 1998-69.) .....61, 84, 147, 153, 297, 309, 311, 350.
S 1239 Exempt Family Farms/Family Business.
(H Failed 2nd Rdg).....62, 150, 156, 166, 504, 511, 514, 520.

INSANITY (See Criminal Law; Mental Health.)

INSPECTION AND LICENSING OF FACILITIES [G.S. 131D]

S 882 Civil Penalties Law Clarified. (S.L. 1998-215.).....313, 328, 336, 837, 1249.
S 1260 Juvenile Justice Reform Act. (H 1373)
(S.L. 1998-202.).....65, 274, 279, 287, 517, 519, 528, 531, 655, 832, 835, 837, 1215.
S 1492 Adult Care Homes Staff Ratio Funds. (H 1710)
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S 1493 Adult Care Homes/Disapp. Rule/Staffing.
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S 1513 Juvenile Law Revision. (H 1561)(Judiciary Com) ..... 121.

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INSURANCE [G.S. 58]

S 350 Supplemental Insurance Benefits.
(S.L. 1998-187.).....619, 626, 627, 628, 652.
S 843 Insurance Technical Changes.
(Conference Com).....313, 320, 322, 334.
S 882 Civil Penalties Law Clarified. (S.L. 1998-215.)..... 313, 328, 336, 837, 1249.
S 993 Medical Service Corporation Charters.
(S.L. 1998-3.).....14, 31, 34, 38, 66.
S 1114 JUA Reauthorization. (H Insurance Com) .....12, 27, 81, 85, 106, 147, 160, 168.
S 1180 Fire and Rescue Squad Pensions. (H 1337)
(reref Appr Com)(Inc. S.L. 1998-212.).....40, 204.
S 1199 Increase Various Fees/Set Regulatory Fees.
(H 1384)(reref Finance Com)
(Inc. S.L. 1998-212.).....45, 222, 232, 235, 236, 246, 594, 595, 627, 631, 639.
S 1256 No Insurance Points/15 MPH Over Limit.
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S 1278 PSO Medicare Licensing. (H 1455)
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S 1300 Insurance Company Exams. (H 1429)
(H Ins. Com).....73, 98, 157, 263, 277, 286.
S 1336 Governor's DWI Amendments 1998. (H 1496)
(S.L. 1998-182.).....79, 104, 303, 350, 357, 594, 607, 631, 632, 633, 651.
S 1461 Insurance Coverage for Infertility.
(Pens & Ret/Ins Com)..... 114.
S 1555 Volunteer Fire Department/
EMS Defibrillator Funds. (H 1715)(Appr Com)..... 129.
H 74 Provider Sponsored Organization
Medicare Licensing. (S 48)
(S. L. 1998-227.).....248, 650, 831, 839, 1204, 1252.

INSURANCE [G.S. 58] (continued)
H 926 Insurance Law Changes. (S.L. 1998-211.) ..... 497, 508, 536, 547, 557, 584, 598, 605, 623, 631, 639, 642, 649, 654, 834, 1204, 1249.
H 1429 Insurance Regulatory Charge/ Company Exams. (S 1300) (To House for Concurrence) ..... 563, 588, 597, 605.

INTEREST [G.S. 24]
S 565 Variable Rate Loans. (S.L. 1998-119.) ..... 410, 416, 419, 422, 453.

INTERNAL IMPROVEMENTS [G.S. 124]

INTESTATE SUCCESSION ACT [G.S. 29]
H 908 Modify Rights of Decedent's Spouse. (reref Rules Com) ..... 416, 421, 423.

INVESTMENT ADVISERS [G.S.78C]
S 882 Civil Penalties Law Clarified. (S.L. 1998-215.) ..... 313, 328, 336, 837, 1249.

IREDELL COUNTY—District 23—Senator Jim W. Phillips, Sr.
District 39—Senator James Forrester
H 1275 Statesville Airport Lease Length. (S.L. 1998-102.) ..... 176, 367, 405, 414, 417, 429.
H 1494 Statesville Charter. (S.L. 1998-79.) ..... 177, 367, 380, 388, 397.
H 1568 St. Pauls/Statesville Occupancy Tax. (S.L. 1998-112.) ..... 314, 362, 369, 380, 389, 434, 439.

JACKSON COUNTY—District 29—Senator Thomas K. Jenkins
District 42—Senator Robert C. Carpenter
S 1466 Tribal Building Inspections. (H 1397) (S.L. 1998-21.) ..... 115, 163, 173, 234, 239.
H 1338 Jackson Personal Watercraft. (S.L. 1998-27.) ..... 159, 241, 250, 253, 256.

JENKINS, Senator Thomas K. ..... 29th District—Haywood (part), Henderson (part), Jackson (part), **Macon** (part), Swain, Transylvania (part).
Absent of Leave ..... 237, 323, 330, 337, 345, 349, 354, 586, 634, 651, 1226.
Adjournment Motion—Second ..... 432, 504, 603, 1201.
Committee Assignments—
Conference ..... 322, 333.
Remarks Spread—
Memorializing Ernest Messer ..... 373.
Memorializing Jeff Hailen Enloe ..... 502.
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Primary Sponsor ..... 1463, 1464, 1465, 1466, 1467, 1468, 1469, 1470, 1471, 1472, 1522.
Co-Sponsor 1092, 1103, 1108, 1111, 1150, 1151, 1152, 1153, 1154, 1171, 1189, 1206, 1224, 1256, 1259, 1260,

JENKINS, Senator Thomas K. (continued)
Bills and Resolutions—(Senate Bills) (continued)
Co-Sponsor (continued)..... 1268, 1269, 1270, 1294, 1301, 1302, 1304, 1305, 1306, 1313, 1314, 1315, 1316, 1336, 1354, 1393, 1408, 1409, 1423, 1453, 1454, 1492, 1493, 1526, 1533, 1534, 1549, 1550, 1559, 1571, 1573, 1598, 1601, 1602, 1605.

JOHNSTON COUNTY—District 11—Senator Allen H. Wellons
District 14—Senator Brad Miller
Senator Eric Miller Reeves
District 15—Senator Dan Page

JOINT MUNICIPAL ELECTRIC POWER AND ENERGY ACT [G.S. 159B]

JONES COUNTY—District 5—Senator Charles Albertson
District 7—Senator Luther Jordan
H 1591 Local Condemnation Restriction.
(S.L. 1998-110.).....205, 346, 352, 396, 439.

JORDAN, Senator Luther Henry, Jr. .....7th District—Jones (part), Lenoir (part), **New Hanover** (part), Onslow (part), Pender (part).
Absent of Leave.....80, 82, 105, 158, 252, 255, 260, 365, 417, 841.
Adjournment Motion—Second.....135, 180, 329, 548, 644, 1201, 1214, 1242, 1243.
Committee Assignments—
Conference.....333, 395.
Remarks Spread—
Memorializing Nation's Capitol Slain Police Officers ..... 328.
Honoring the City of Wilmington..... 426.
Bills and Resolutions—(Senate Bills)
Primary Sponsor.....1141, 1187, 1516, 1520, 1576.
Co-Sponsor..... 1092, 1108, 1126, 1150, 1151, 1189, 1194, 1195, 1196, 1197, 1201, 1202, 1214, 1259, 1267, 1284, 1602, 1605.

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JUDGES (See Judicial Department.)

JUDICIAL DEPARTMENT [G.S. 7A]
S 475 Displaced Homemakers Fund. (H 480)
(S.L. 1998-219.)....1223, 1226, 1227, 1237, 1250.
S 763 Crime Victims Rights Act. (H 665)
(H Cal 36A)(Inc. S.L. 1998-212.)....445, 450, 454, 457, 459, 460, 494, 500.
S 879 Salary and Retirement Funds.
(S.L. 1998-153.)....567, 582, 583, 587, 593.
S 1156 Funding for Legal Services. (H 1389)(Appr Com)....33.
S 1179 Future of the Courts. (H 1321)(Judiciary Com)....40.
S 1231 Jurisdictional Amount Increase. (Judiciary Com)....61.
S 1234 Raise Criminal Court Fees. (Finance Com)....61.
S 1258 Judicial Appt./Voter Retention. (H 1391)
(Judiciary Com)....64.
S 1260 Juvenile Justice Reform Act. (H 1373)
(S.L. 1998-202.)....65, 274, 279, 287, 517, 519, 528, 531, 655, 832, 835, 837, 1215.
S 1325 Court Improvement Project. (Judiciary Com)....77, 102.
S 1416 Drug Court Sunset Removed. (Appr Com)
(Inc. S.L. 1998-212.)....109.
S 1497 Increase Court Fees. (H 1539)(Appr Com)....119.
S 1507 Addition Magistrate/Currituck Co.
(Appr Com)(Inc. S.L. 1998-212.)....120.
S 1513 Juvenile Law Revision. (H 1561)(Judiciary Com)....121.
S 1527 Increase Court Fees. (S1497)(Appr Com)....125.
S 1532 Adoption & Safe Families Act/Funds.
(H 1720)(reref Judiciary Com)....126, 269.
H 1023 Limit Pretrial Release. (S.L. 1998-208.)....1216, 1217, 1224, 1227, 1230, 1238, 1249.
H 1405 Small Claims Judgments. (S.L. 1998-120.)....262, 355, 364, 374, 383, 392, 429, 453.
H 1544 Raise Court Fees. (Finance Com)....298.
H 1720 Adoption and Safe Families Act. (S 1532)
(S.L. 1998-229.)....561, 638, 831, 839, 846, 1211, 1253.

JURORS [G.S. 9]

JUSTICE ACADEMY [G.S. 17D]

JUSTICE DEPARTMENT [G.S. 114]
S 1260 Juvenile Justice Reform Act. (H 1373)
(S.L. 1998-202.)....65, 274, 279, 287, 517, 519, 528, 531, 655, 832, 835, 837, 1215.
S 1513 Juvenile Law Revision. (H 1561)(Judiciary Com)....121.
S 1532 Adoption & Safe Families Act/Funds.
(H 1720)(reref Judiciary Com)....126, 269.
S 1575 Strengthen Election Enforcement. (Judiciary Com)....132.

JUSTICE DEPARTMENT [G.S. 114] (continued)
H 1248 Tobacco Settlements Payments. (S 1197)
(S.L. 1998-191.).....243, 437, 441, 446, 545, 550, 551, 557, 585, 645, 646, 841.
H 1720 Adoption and Safe Families Act. (S 1532)
(S.L. 1998-229.).....561, 638, 831, 839, 846, 1211, 1253.

JUVENILE CODE [G.S. 7B]
S 1260 Juvenile Justice Reform Act. (H 1373)
(S.L. 1998-202.).....65, 274, 279, 287, 517, 519, 528, 531, 655, 832, 835, 837, 1215.
S 1513 Juvenile Law Revision. (H 1561)(Judiciary Com)..... 121.

KERR, Senator John H. III..... 8th District—Greene, Lenoir (part), **Wayne.**
Absent of Leave.....36 (portion), 602 (portion), 604, 621.
Adjournment Motion—Second.....316, 512, 1201, 1242, 1243.
Committee Assignments—
Conference.....273, 295, 333, 402, 513, 616.
Remarks Spread—
Memorializing J. Melville Broughton, Jr..... 230.
Memorializing Lillian Exum Clement..... 307.
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(Passed 3rd reading, House Refused)..... 36.
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Co-Sponsor..... 1092, 1107, 1111, 1171, 1189, 1194, 1195, 1196, 1201, 1202, 1225, 1226, 1228, 1241, 1252, 1259, 1272, 1387, 1393, 1435, 1449, 1496, 1497, 1498, 1499, 1549, 1559, 1598, 1602.

KINNAIRD, Senator Eleanor..... 16th District—Chatham, Lee (part), Moore, **Orange,** Randolph (part).
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